



## News Summary

### GENERAL

#### More Sudan rebels shot

Sudanese firing squads yesterday continued to execute army officers for their part in last week's abortive coup. One of them was reported to be Major Farouk Hamadallah, who would probably have been the rebels' Prime Minister.

Col. Babikir el Nour, who expected to become President, was also believed to have been executed. Restored President, General Nimir, rejected British pleas for clemency for the two men, who were taken off a BOAC airliner by the Libyan section to Khartoum after last Monday's coup had failed.

General Nimir said that 90 per cent of the Sudan's reported 50,000-strong Communist Party had been "neutralised". Sudan has broken off relations with Iraq for alleged interference in the coup.

Nimir told Cairo Radio that Sudan would join the federation linking Egypt, Libya and Syria.

#### Syria closes border

Meanwhile, as King Hussein of Jordan flew to Saudi Arabia for talks with King Faisal on the Palestine Commando situation, Syria and Iraq closed their borders with Jordan in protest against the king's military action against the guerrillas.

#### Ulster bitter over Maudling

The Home Secretary, Mr. Maudling, became the centre of increasingly bitter attack from both Government and Opposition supporters at Stormont over the weekend for his handling of events in Northern Ireland.

Unionists are convinced the Home Office is blocking imprisonment without trial of IRA terrorists and the SDLP says the new phase of the battle announced on Friday amounts to repression.

#### 'Leaks' inquiry spreads

Scotland Yard inquiries into allegations of security leaks in Government offices have spread to the provinces. A number of people have been interviewed in West Country towns. The inquiries are likely to continue for some months.

#### Apollo: smooth countdown

Countdown for today's Apollo 15 moonshot, the most ambitious yet attempted, proceeded smoothly last night as the three astronauts took it easy in their quarters. The blast-off is due to take place at 2.34 p.m. this afternoon. Manned Space Flight: Why NASA has lowered its sights. Page 10.

#### Kremlin attacks U.S. and China

Soviet leaders broke their 10-day silence over the forthcoming Peking visit by President Nixon, by voicing fears that a U.S.-Chinese relationship could lead to an "unacceptable political combination" against Moscow and its allies. Page 7.

#### In Brief . . .

Crowds of mourning Libyans burst through a police cordon in a demonstration of frenzied grief when an RAF VC-10 landed at Monrovia with the body of the late President Tubman who died in a London hospital on Friday.

Bond No. LW257195, owned in Perthshire, won the weekly Premium Bond £25,000 prize.

Prof. Christiana Barnard carried out the first complete heart-lung transplant attempted in South Africa.

Belgian racing driver Raymond Mathay, was killed in a crash during the 24-hour tourist car race at Francorchamps, Belgium.

Alan Rawsthorne, the composer, died in Cambridge aged 86.

Polo: U.S. beat England 9-6 in the Corporation Cup at Cowdray Park.

British Linns beat Auckland 19-12.

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### BUSINESS

#### The big buyers back CBI price curb

BUYERS RESPONSIBLE for spending £18,000m. a year intend to support the Confederation of British Industry's initiative on price restraint. The decision was announced last night by the Council of the Institute of Purchasing and Supply whose members have agreed to do "everything within their professional capacity" to extend the CBI policy to all industrial and public buying. Letters from CBI president Sir John Partridge are going to 200 leading companies calling for a written undertaking that in general terms they will not let their prices rise by more than 5 per cent in the coming 12 months.

#### U.S. copper strike peace moves fail

COPPER PRICES in London were expected to rise to-day as the result of failure of attempts to settle the U.S. copper strike. The unions had called a special conference to try to ratify tentative agreements with two leading producers, Anaconda and Kennecott. But Anaconda has said it has failed to finalise agreements made earlier and Kennecott said it could make no further progress in its peace talks. A shortage of copper is not yet in prospect though this could ensue if the month-old strike continues much longer.

#### FIVE MORE U.S. RAILWAYS have been given notice of strike

The United Transportation Union, bringing the total of railways halted or under strike notice to 15. The union is acting to support demands for a national contract settlement. The railways have replied by introducing work rule changes which the union opposes.

#### NUBE hits at 'poaching'

COMPLAINT TO THE TUC is to be made by the National Union of Bank Employees that the ASTMS—whose move for a merger was later rejected by the NUBE—was trying to poach some of its members. Both unions are trying to get recruits in the City. Some bank staff, dissatisfied with a new job evaluated pay structure, have applied to join the ASTMS; their discontent might be met by a pay claim which NUBE and the staff associations are to lodge next month.

NATIONAL MANAGEMENT Championship final is to be held in London on Saturday. The four companies—remaining out of 780 starting last January—are: Rolls Royce (1971); Peat Marwick Mitchell, chartered accountants, one of whose partners is receiver and manager of the old Rolls Royce company; Croxley Carpets; and Manganese Bronze Holdings.

SEEKING BETTER SPANISH supervision over bottlers, the Association of British Travel Agents hopes to send a delegation to Madrid this week. Over booking, through which British holidaymakers have found hotels unoccupied, is a main topic. The Association wants a 5 per cent limit imposed on over-booking which, it says, becomes a problem when it reaches 30-40 per cent.

#### EXTRA SAFETY MEASURES

are to be introduced in West Germany following its fourth serious rail accident this year. After a four-week survey of express tracks speed restrictions will be tightened where necessary. Train-to-control communications are to be improved.

MALTA-LIBYA TRADE PACT which is the aim of talks in Tripoli is expected to lead to direct Libyan investment into Malta's economy, possibly by Libyans and Maltese jointly financing industrial ventures.

#### COMPANIES

FOSECO MINSEP sale of shares in Bunganawato Concessions and Makgadikgadi Coda involves receipt by the company of a net £1.5m. in place of a further £2m. investment and absolves it from guarantees, running for up to 10 years, which could reach £1m.

## Wilson facing test as he justifies Market verdict

BY JOHN BOURNE, LOBBY EDITOR

Mr. Wilson this week faces one of his most testing periods as Leader of the Opposition since the Labour Party lost the General Election. On Wednesday he is to give his formal verdict on the terms for British entry into the Common Market to a meeting of the party's National Executive Committee. Labour politicians are convinced that this will be his last chance of justifying his attitude in a way which will carry credibility in the country.

On Wednesday night he has agreed to be interviewed by Independent Television News. At a lesser, but still important level, there is the reaction of Labour MPs and the public to his 400,000-word account of his five years as Prime Minister, published to-day.

Here again, Mr. Wilson is being interviewed—at a Press conference on the book this morning.

So far, political commentators and reviewers have criticised it mainly on the ground that it is partly a work of "self-justification". As one interviewer put it last night, when Mr. Wilson appeared on London Weekend Television's Man in the News: "Apart from the D-note affair, I cannot find one instance in the book where you said 'I was wrong'."

But on one matter concerning the book—the allegation that it has made him a "rich man"—Mr. Wilson took the initiative over the weekend. His aim was to mitigate the political harm which he thinks this charge could do to him as leader of a predominantly working class party.

Interviewed by Terence Lancaster in yesterday's People, he said that his bank account was in the red when he left 10, Downing Street, as Prime Minister and that he still has an overdraft, although he has already received half the money due to him for his book. The People published a photograph of one of Mr. Wilson's bank statements—a move criticised as undignified by some of Mr. Wilson's colleagues.

#### Unhappy

In his television interview last night, Mr. Wilson said: "At No. 10 I spent a very considerable amount of the money that got me into the red trying to maintain a very large office to reply to people who wrote to me from all over the country—I spent a good deal more than 10 per cent—on which I would not feel it right to ask the Labour Party headquarters to finance."

However, the key question this week for Mr. Wilson's standing remains the Common Market. Although his immediate position

as party leader has never been under threat during the momentous events in the Parliamentary party last week, there is no doubt that a large number of Labour MPs were unhappy with the way he came out against the terms in his speech to the special party conference nine days ago.

His apparent condemnation of the terms was all-embracing. He made barely any reference to the advantages which membership of the Community could bring to Britain under the right terms.

He seemed to brand the EEC as a bureaucratic inward-looking body which operated chiefly to the benefit of French farmers. Even some Labour anti-Marketsters found it difficult to reconcile what he said to the conference with what he had said when he was Prime Minister.

After he has given his final verdict on Wednesday the NEC will then be asked to pass a policy resolution for submission to the annual conference in October. (Trades union and local party motions for this conference, published yesterday, contain

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## ICI plans to raise £15m. in £-Dm offer

By William Low

ICI International Finance, a wholly-owned subsidiary of Imperial Chemical Industries, plans to raise £15m. on the international capital market through a Sterling-D-Mark bond offering.

The issue, the first £DM loan since 1968, will be managed by S. G. Warburg, Deutsche Bank, and J. Henry Schroder Wagg. Part of the proceeds of the 15-year offering, which will be guaranteed by the parent company, will be used in West Germany.

#### Option

Subscribers to the bonds will have the option of paying in sterling or D-Mark, and a similar option exists to receive payment of principal and interest at a £DM exchange rate which will be fixed when the subscription agreement is signed, probably on August 1. The coupon is expected to be 5 per cent, and the bonds will be quoted on the London Stock Exchange.

Last March the same borrower was forced to withdraw from the market its proposed \$30m. Euro-dollar bond loan because of adverse conditions. This time, however, the issue is expected to attract a strong response.

## Joseph will continue his Cunard buying

By Sandy McLachlan

MR. MAXWELL JOSEPH, a director of Cunard, said yesterday that he would continue to buy Cunard shares in the market.

As reported on Saturday, Mr. Joseph then revealed that he had been in the market in a private capacity buying the shares.

His statement yesterday said he supported and was in full agreement with Mr. Donald Forrester, another Cunard director, who is also buying Cunard shares in an attempt to frustrate the 200p-a-share bid from Trafalgar House Investments.

#### No secret

Mr. Forrester, who resigned from the Cunard Board last November, but recently rejoined at the unanimous request of the other directors, has made no secret of his opposition to the terms of the Trafalgar offer. He is the largest private individual shareholder in Cunard, with around 3 per cent. of the equity.

On Friday he said that he did not necessarily object to a bid from Trafalgar in principle, but added that in his view the current offer was far too low.

#### Undertaking

The Cunard Board's official reaction to the Trafalgar offer is expected some time this week. There is no doubt that it will take the form of an undertaking required of the Board by Mr. Forrester before he consented to rejoin it.

It has been made quite clear by Mr. Joseph that he is acting in a purely personal capacity and that his share purchases have no connection with Grand Metropolitan Hotels, of which he is chairman. Grand Met was a potential bidder for Cunard before Trafalgar's intervention, but Mr. Joseph has said that it will not counterbid.

He said that Mr. Packard, backed by Mr. Laird, had "preferred the Lockheed Bill versus the £2,000m. generic Bill, and I don't have any problem with that, if that is what he thinks. But it is not the Administration view. I think that he has not been enthusiastic about this programme from the outset, and that is fine."

He explained the rift by saying that Laird and Packard had initiated some tough procurement policies for defence spending (which should make future defence contracts rather tougher than in the past) and that they did not want the broadened Lockheed Bill to make it look as though legislation was simultaneously going through that would bail out defence contractors if they got into trouble over these new tough policies.

That's the thrust of their position," he said, "and I don't have any argument with that."

## Need for quick settlement of Trust Houses Forte row

By Sandy McLachlan

THE BOARDROOM split at Trust Houses Forte is apparently irreconcilable. It became clear yesterday that the only solution was an extraordinary general meeting of shareholders, who will be asked to choose between Mr. Michael Pickard and Sir Charles Forte. It was announced late on Friday night that Sir Charles and his supporters had ousted Mr. Pickard from the position of managing director at a Board meeting that afternoon. Mr. Pickard remains a director.

It is clear that in a showdown Mr. Pickard will have the support of Lord Crowther, chairman of Trust Houses Forte. His support could be crucial, since the effective decision lies not with the bank of shareholders, but with the Trust Houses Forte Council, who are trustees to the company and can exercise 50 per cent. of the votes.

It is possible, though unlikely, that the Council might abstain. But the support of the chairman for Mr. Pickard would certainly weigh heavily in its consideration.

#### Profit figures

The whole issue has been clouded by publication of the Department of Trade and Industry report on International Learning Systems Corporation and the interim report on Pergamon Press. In this report Mr. Pickard is criticised in his capacity as a director of British Printing Corporation.

The allegations in the report, which are being challenged by Mr. Pickard through BPC and by BPC itself, have been seized on by the Forte's side of the THF Board, but are irrelevant otherwise in the THF schism. The real problem is a clash



Lord Crowther.

between two totally different personalities. Further complication is added to-day with the publication of the THF interim figures for the six months to April. These show a pre-tax profit figure of £251,000 for the merged group, against £281,000 for Trust Houses alone last year. After taking minority interests into account the figures come out at £409,000, against £688,000.

Commenting on these figures yesterday, Lord Crowther said it was "ludicrous to expect interim figures from a seasonal group such as THF. He and Sir Charles Forte have reaffirmed that profits for the full year will show an increase over the £835m. last year."

Although the year may not turn out as well as the Board's optimistic hopes, it is believed that all divisions are doing better than last year.

Certainly Lord Crowther feels that the company is doing well.

Yesterday he commented: "The merger has been extremely successful except in the Boardroom." He pointed out that the figures for the two half-years cannot be compared, since Forte normally makes a loss in the trading period referred to. He added that the three-month trading period of Forte omitted from the 1970 figures was not normally profitable.

#### Strong efforts

Lord Crowther would not comment yesterday on the Boardroom split. It is no secret, however, that the split is straight down the middle between the ex-Trust Houses directors and the ex-Forte directors, as evidenced by Friday's statement by the Trust Houses camp supporting Mr. Pickard.

The situation cannot be allowed to stand until the next annual meeting which is not due until April, 1972, and full reconciliation appears impossible. An extraordinary general meeting is therefore the only apparent solution, and the real question now is how will the two sides line up.

Clearly the deadlock between the two factions must be resolved in favour of either Mr. Pickard or Sir Charles—who still retains a substantial shareholding in the merged group, but not enough to challenge the council of the trustees.

Strenuous efforts are being made to prevent the question being put to shareholders as a choice of one or other of the parties leaving the company. It is felt within the group that the departure of either Mr. Pickard or Sir Charles from the scene would not be in shareholders' long-term interests.

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## Lockheed Bill: new plea by Nixon

By Guy de Jonquieres

IN AN APPARENT effort to paper over signs of disagreement inside his Administration, President Nixon has called on Congress to take speedy action on legislation which would grant \$250m. in loan guarantees to the Lockheed Aircraft Corporation.

In a statement issued by the White House this weekend, Mr. Nixon asked Congress to "enact this legislation with all deliberate speed, and in any event, before the August recess."

#### Useful

Although the President asked originally only for the \$250m. in guarantees for Lockheed, both Houses of Congress now have before them proposals which would make available up to \$2,000m. in assistance for any large corporation in financial difficulty.

Mr. Nixon said he "fully supports the broader legislation which would be useful in providing a systematic procedure for helping any major business enterprise" whose bankruptcy would damage either the national or a regional economy.

The President's personal intervention was apparently aimed at removing the impression that a rift has grown up inside the Administration. This emerged last week, when both the Secretary of Defence, Mr. Melvin Laird, and according to reports his deputy, Mr. David Packard, sharply criticised the broader legislation initiated by Congress.

Mr. Laird was reported as saying on Friday that he fully supported the critical position taken by Mr. Packard, who said he feared that passage of the \$2,000m. Guarantee Bill would lead to the feather-bedding of Government defence contractors. Mr. Laird added: "There is a difference within the Administration. I don't think you can say there is not."

This week-end, however, Mr. Laird issued another statement saying that he supports the broader legislation. He described as "erroneous" and "unfair" news reports suggesting that he and Mr. Packard opposed it.

The main potential obstacle to approval of the legislation lies in the Senate, where a group of opponents, led by Senator William Proxmire, are fighting a battle of delaying tactics to keep the issue from the vote.

In an attempt to circumvent this opposition, a vote to limit debate to 100 hours will be held to-morrow.

This vote is generally expected to fail and if it does, a second similar resolution will probably be set for Wednesday. The House of Representatives is expected to vote on the Bill later in the week and will probably approve it.

#### Tough policies

The exact extent to which there had been an Administration split over the Lockheed Bill was further befogged by Mr. John Connally, Secretary of the Treasury, when he discussed the measure on national television this morning.

He said that Mr. Packard, backed by Mr. Laird, had "preferred the Lockheed Bill versus the \$2,000m. generic Bill, and I don't have any problem with that, if that is what he thinks. But it is not the Administration view. I think that he has not been enthusiastic about this programme from the outset, and that is fine."

## Big spending in North on home appliances

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

DOMESTIC APPLIANCE sales soared to their highest level for five years in parts of the U.K. on Saturday, particularly in the North-West, and some manufacturers believe that stocks could be run down to very low levels over the next few weeks.

The week-end response to the Chancellor's decision to cut car-chase tax and end hire purchase restrictions was somewhat patchy, but colour TV, washing machine, refrigerator and cleaner manufacturers were jubilant. There was also some evidence of a boom in car sales starting to get under way.

The Saturday spending spree was at its peak in the North of England, while major retailers in the South experienced little improvement in sales, although some stores said that trading remained buoyant.

#### Optimism

Although Hoover, a leader in the domestic appliance field, is confident about its stock position, Mr. Peter Goode, the group's marketing director, said last night that the three factories, which closed on Friday for the two-week holiday, would be put on three-shift working on their return. There would also be extensive over-time working.

Neither retailers nor manufacturers had expected sales to improve as much as they had until September. Hoover carried out a detailed assessment of the mini-Budget effect on trade at the week-end, and reported that there was "a tremendous feeling of optimism that business is turning up."

Among its findings was that sales of its appliances rose by 500 per cent. over any previous Saturday figure, at the T. J. Hughes store in Liverpool on Saturday, 320 per cent. at the Owen and Owen store in the city, and "dramatically" at other outlets.

In Manchester, where purchases of tax and hire purchase concessions coincided with the end of

a promotion campaign, Hoover sales also shot up by 500 per cent. at an Electricity Board showroom.

"At the York-hire Electrical Board showrooms in Leeds where we sold only six appliances on the previous Saturday, we sold 31 this Saturday," Hoover said. A 300 per cent. increase in sales was reported by a distributor at Newcastle-on-Tyne.

The picture was very different elsewhere. Only marginal sales increases were experienced in Glasgow and Edinburgh (unemployment in Scotland is at its worst level for over 30 years) and in stores in Birmingham, where the industrial holiday is under way. Discount houses in the West Midlands, a good business however.

There was very little improvement in sales in Bristol and Cardiff, where industrial holidays are also being taken. Although Hoover emphasised that normality it would expect a fall at the time of the year.

Although business in the South was generally slightly above average, and one or two stores reported marked increases, no consumer interest appeared to be concentrated on the purchase or rental of colour TV sets.

#### 'Non-event'

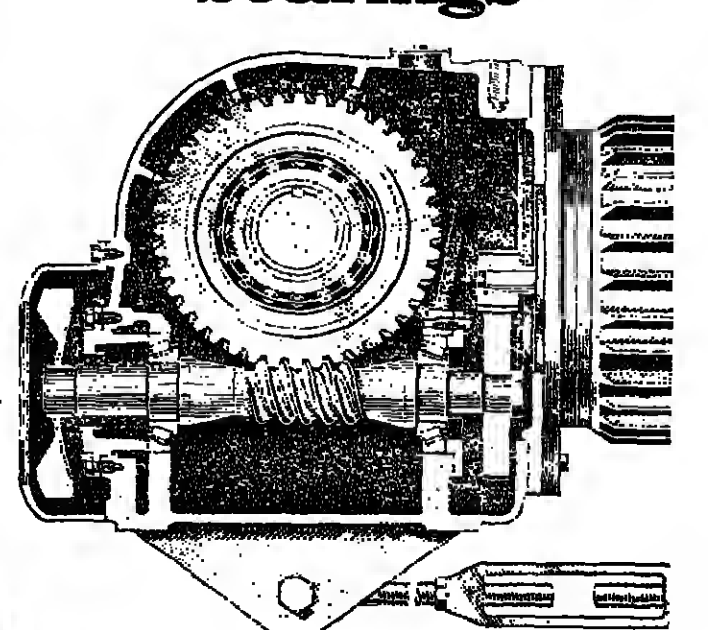
According to Selfridge's, U.K. cuts in purchase tax were a "non-event" as far as the impact on Saturday's trade was concerned.

Interest in more expensive goods such as refrigerators and furniture, was high however because of the store's ability to offer improved deferred payment terms. Deferred payment purchases were assessed at "two or three times the normal level." The John Lewis Partnership said there appeared to be a "little reaction to purchase tax cuts, and a bit of interest in hire purchase" at its stores in London, Watford and Cambridge.

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BIRMINGHAM	
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## David Brown Speed Reducers and Timken bearings



The new David Brown Helical Worm Radicon Speed Reducers offer high efficiency through a combination of low ratio worm gears and profile ground helical gears. Lubricated for life and offering capacities up to 87 hp, these units are additional to the list of standard David Brown metric products based on B.S. metric motors.

Timken tapered roller bearings have been specified to ensure high load carrying capacities and long life. They have been fitted to the worm and wheel shafts on both the shaft and foot mounted Helical Worm Gear Units. Timken bearings are manufactured from special case carburizing steel made to our own specification, giving a hard wearing outer surface with a tough inner core.

British Timken, Duxton, Northampton. Division of The Timken Company. Timken bearings sold around the world. Manufacturing in Australia, Brazil, Canada, England, France, South Africa and the U.S.A.

TIMKEN  
TAPERED ROLLER BEARINGS



## Common Market debate

Sir—It is claimed that the standard of living of the people in the EEC is higher than that in the British. It would be interesting to know on what statistical basis this claim is made, since a study of the handbook issued by the Statistical Office of the European Communities, 1970, reveals the following comparisons:

	U.K.	Community
Nutritional value of food consumption: (calories per head per day)	3,180	3,040
Consumption of vegetable products: (kg. per head per year)		
Rice (as flour)	72.5	88.7
Potatoes	102.0	87.7
Refined sugar	44.5	31.0
Vegetables	44.5	110.3
Consumption of animal products: (kg. per head per year)		
Meat	71.0	67.6
Eggs	16.3	14.7
Fats	15.2	19.1
Butter	7.4	5.5
Milk	147.0	84.1
Consumption of electricity (kWh): (per head)	1,610	1,585
Industrial	2,080	979
Others	207	202
Motor vehicles in use (per '000 pop'n)	279	196
V. sets (per '000 population)	232	107
Telephones (per '000 population)	232	107

On this basis it would appear that, with the exception of some vegetable products, the U.K. is head of the Community in its standard of living.

Edward Holloway, Director, Commonwealth Industries Association, 10, Buckingham Gate, S.W.1.

## Comparison with U.S.

Sir—Some time ago, Mr. Redwood Benn casually suggested that as a member of the Common Market, Britain would lose her sovereignty in an individual state of the U.S. If this view was a fair reflection of the briefings provided to the previous government, then it is not surprising that the facts now emerging are going to disturb some ex-ministers.

Every State of America, even little Rhode Island, is free to levy whatever indirect taxes it wishes. It need not accept a tariff or a tariff from another state unless its own standards are met to its satisfaction. There is no American company, most of the big firms like General Motors are "Delaware corporations." California prohibits the addition of sugar to wine (in prohibiting that the EC has just forced Germany to relax). For journeys and shipments occurring entirely within

its borders, a State legislates on drivers' hours and vehicle weights. Each State is free to use "tax holidays" to induce new industry to settle. It is free to forgive its road haulage firms their licence fees during a lorry drivers' strike; it is free to say that margarine may or may not be sold, or that margarine must not be the colour of butter; it

now it is one-eleventh and 90 per cent of Irish people live abroad. Scotland can tell a smaller story and so can Southern Italy.

Further to this, dissolution of the EEC requires that the EEC will be doubly hit and may become well-nigh depopulated. It is interesting to observe that Southern Italy is worse off than ever relative to the North since EEC started.

On July 12 Mr. Heath told us: "I have a vision of a Europe once united, 1200 years ago, and which will come together again in which younger people will have greater opportunities to their careers." The May 18 Agreement, whereby up to 200,000 British workmen will be exported to Germany shows what this opportunity amounts to.

G. J. A. Stern, 6, Elton Court, Shepherds Hill, N.6.

Weakening the West

Sir—Mr. Procter (July 21), answering my letter, claims that Mr. Wilson made it clear at the recent Labour Party Conference that the alternative to joining the EEC "is to move into the Russian and/or Chinese orbit." This does not in fact mean that there are any such references in Mr. Wilson's speech, as reported in your columns.

The point 1 was trying to make is that the frequently repeated doctrine, quoted by Mr. Heath on July 12, that Herr Brandt's "Europe" (and indeed other forms of agreement with Russia, such as the European Security Conference) are made possible by a United Europe, conveys a false impression. Herr Brandt's policies are likely geared to weaken Western forces, and the European Security Conference would be, in the words of the Secretary-General of NATO, "a perfect instrument leading to a new regional system of security in Europe which would inevitably be controlled by the Soviet Union."

K. T. Moore, 20, Queenborough Gardens, Ilford.

Public opinion polls

Sir—Mr. Roland Freeman (July 21) points out that public opinion to joining the Common Market has fallen from 60 per cent to 44 per cent, over the

last few months as indicated by public opinion polls.

I submit that the Common Market question is such a "political" issue that it cannot be dissociated in the public mind from the popularity for the moment of the Government.

Thus the question "Are you for, or against the Common Market?" to many people is synonymous with "are you for or against Mr. Heath's Government?" Therefore a referendum would not be sounding the electorate's true feelings.

If Mr. Barber's mind budget has the desired effect, no doubt the present Government will be more popular and I predict that as the Government becomes more popular so the number in favour of the Government's Common Market policy will sharply increase. Time will tell.

Michael Colston, Chairman and Managing Director, Colston Appliances, High Wycombe.

## One by a fan club

Sir—Why did not your correspondent Mr. R. Freeman mention that one of the opinion polls that showed a swing to the Common Market was organised by the European Movement?

Both A. J. Barber and I predict that as the Government becomes more popular so the number in favour of the Government's Common Market policy will sharply increase. Time will tell.

H. G. Bearston, 45, Harrowdene Road, Wembley.

Lack of secret ballot

Sir—I would agree with Mr. J. A. Clements (July 21) that democracy involves government by the people, but would have thought that its continuance necessitates adhering to constitutional practice.

The Representation of the People Act 1948, which provides for a secret ballot, is a piece of legislation but provides necessary safeguards against inefficiency and corruption.

I would not attribute the latter to the organisers of the Hexham referendum, but feel certain that the great majority of your readers care sufficiently for democracy to require a secret ballot in any poll which purports to be of national importance.

Lack of a secret ballot in this instance, coupled with the absence of any supervision during the counting of votes can only lead to charges of amateurism.

ishness and irrelevance, both of which I am entitled to reiterate.

R. Brian Baird, Chairman, Hexham for Europe Committee, Hexham House, Mr. Edmunds, 10, Co. Durham.

## Train track buckling

Sir—Despairing of being able to complete the Financial Times crossword of July 23, due to the shunting I was receiving to a letter on the same page entitled train track buckling (Mr. A. Kemp).

All this buckling to which the train is subjected surely originates from the points of contact of wheels and rails? In effect, the one hammers the other. If a long piece of steel is hammered does it not tend to be "drawn out" or elongated?

If there is a connection in between the utilisation of passenger cars as mobile vibrating machines and the elongation with consequential buckling of the railway lines, it is to be hoped that the steps taken to prevent further disasters may result in the creation of travelling conditions which permit the filling in of crosswords.

W. T. Bunbury, 13, Clethow Gardens, S.W.5.

## Anti-creep devices

Sir—While agreeing generally with the views expressed by Mr. Fenton (July 19), I must take issue with him over his statement that anti-creep devices allow him to do not prevent creep. I venture to suggest that this opinion is based either on the use of an inferior design of rail anchor or on the incorrect use of efficient rail anchors.

The function of a rail anchor is to transfer the creep forces from the rail to the sleeper against which the anchor bears. The limiting factor in any system of rail anchorage is, therefore, the resistance of individual sleepers to bodily movement through the ballast in which they are bedded.

This resistance depends on various factors such as the shape of the anchor, the quality of the ballast, the quantity and quality of ballast and standard of maintenance.

It follows then that for effective rail anchorage—that is, the complete prevention of longitudinal movement of the rails—creep forces must be distributed between the sleepers within their capacity to resist movement.

Many old-established haulage companies, particularly those owning properties which have been used for many years, are quietly folding their tents and disappearing from the scene. The winds of change that industry will continue to blow very strongly for several years to come. Eventually we shall finish up with a much more highly professional industry than we have seen in the past; certainly it will be much larger units with more intensive use of vehicles and it is factors such as these that the future demands of heavy goods vehicles will be based.

L. Walsh, Blythwood, Manor Road, Wantage.

## London office rents

Sir—Mr. O'Halloran (July 16, page 24) wonders if he and LOB can be living in the same London. I think it quite possible that we can. Certainly we are not alone in ours. Our assessment of rental levels for offices in the City and West End is based upon professional advice. We ourselves, by the nature of things, are more expert on decent, used offices. If Mr. O'Halloran would thumb through the property press in the early part of the year (our recently published annual report only takes us up to March 31) he will find the following quotes: "a ceiling of about £15 per sq. ft. in the City has now been reached." "In the West End rents might average £8 per sq. ft. for first-class accommodation." "Rents in the City have increased to £13-£15 per sq. ft." "In prime positions (in the West End) rents are now as high as £9-£10 per sq. ft."

The truth is that no one can say what "average" rents are; they range from the extreme of £20 reported as having been paid for a banking hall to examples known to us through our clientele of rents of a few pence. We are talking about the asking rents for new or modern buildings in good positions, as witnessed by professional and practical men. If Mr. O'Halloran is talking about a more general average, he may be right too. But there are quite a number of businesses who would still consider even a rent of £5-£6.50 a bit on the high side! LOB's present figures are a potential saving on rent of 57 per cent, as a result of moving out. The fact that there is so little space to move out to is one

reason why tenants can be found in the central area, however reluctant they may be. I do not think we have ever said that there would be quite a few less in the City and West End if the office control outside the central area were to be lifted or relaxed. L. W. Aldous, Secretary, The Location of Offices Bureau, 27 Chancery Lane, W.C.2.

## Malta's demands

Sir—Mr. G. G. McNally (July 22) seems to think that to a pension with all protection is a guarantee of a continuation of a simple and happy state of existence. He may care to cast his mind back as to what happened in the Channel Isles in World War II. I was one of the people who went out to Jersey to assess the damage. D. S. Edgar, 7 and 8, Chandos Street, Coventry Square, W.1.

## An example to others

Sir—The letter from Mr. Cordon L. McNally is all very true, as far as it goes. But it is a pity that the letter can be to the obvious when we have a case we wish to prove. The fact is that if Britain walked out of Malta and subsequently a war broke out, the Maltese would walk into the island and pay nothing for the privilege. The latter case would be worse than the former.

Dom Mintoff does not seem to be handling the situation with any high standards. If we allow ourselves to be bullied and threatened into paying substantial more there are other nations in the world which will take the hint and rush to abrogate agreements. When people or groups feel they are in a position of power or advantage (the case in point) there tends to be no end to their threats and demands and woe betide those who once show weakness or intimidation. Such groups easily prove to their own satisfaction that their overweening demands are more than justified. By brainwashing repetition they persuade many others. This seems to be a rule of human nature—as well as of the jungle—and applies irrespective of creed, race or political persuasion. Few are the people and fewer the groups who rise above it. R. Holden, 49, The Holl, Blackheath, S.E.3.

Incomplete understanding of these basic principles has resulted in many countries, in the use of an insufficient number of rail anchors for the creep conditions prevailing with the result that sleepers are displaced or skewed.

An efficient one-piece rail anchor has a holding capacity on the rail foot far in excess of the sleeper resistance and will never slip along the rail under applied creep loads. It follows then that if sufficient anchors are provided in every rail length so that the creep load transferred to each "anchored" sleeper is less than the load required to move the sleeper, creep can be positively prevented.

I personally know of countless cases where rail anchors, correctly applied and in sufficient numbers to bring about this condition, have stopped all further movement of the rails and eliminated the wasteful operation of "pulling back."

W. A. H. Watts, The Plassey, Elyton, Nr. Wrexham.

## Commercial vehicles

Sir—In his letter of July 21 Mr. French touches only the fringe of the problems that have brought about a reduction in the demand for heavy vehicles and the consequent short time working of British manufacturers. Although shortage of spares from time to time causes yet another committee to be set up by hauliers to discuss the item with manufacturers, the basic design of the haulier and the main road hauliers are loyal to the British goods vehicle manufacturer, and for a variety of other reasons do not prefer foreign vehicles.

The undoubted drop in vehicle orders is due principally to the uncertainty that the road haulage industry itself is facing following the massive transport legislation during 1967 and 1968. Capital investment is at a very low ebb. Resulting from the new laws requiring plating and testing of heavy vehicles many were replaced before their normally accepted life and this has also resulted in a slowing up of demand.

We, however, have seen a stagnation in industrial production and the freeing of carriers from leasing restrictions has resulted in the simple fact that there is far too much vehicle capacity chasing too few goods at the present moment. Not a very auspicious time for investments in an industry that has never had a more bleak future than it has at present. It is still a small man's

space to move out to is one

shown his ability to act in these conditions—it was hock-deep when he defeated Green Coat by 10 lengths in the Glmerack Stakes at York last August—but Oris is probably a stone better horse in the mud.

At Newcastle this afternoon Dick Peacock runs his own gelding, *Medicinal Compound*, in the valuable Harry Peacock Challenge Cup Handicap (3.30) named after his uncle. What is more, he has reasonable prospects of winning it. Certainly *Medicinal Compound*, twice a winner over course and distance here in the spring, looks reasonably treated in the matter of weight. Another owner-trainer may have been successful half an hour earlier when Bill Elsey saddles King's Fling in the Wall Selling Plate (3.01). Good service, whose trainer, Geoffrey Barling, often wins here at Newcastle, can land the Boulmer Plate (2.50). And now that rain has fallen in the North, I would not be surprised if *Cripp* were to turn up at good odds in the Alnhamouth Handicap (4.00).

At Nottingham this evening Orangetop and Peacocks can land a double for John Winter in the Shirebrook Maiden Stakes (6.30) and the Ripley Handicap (7.25). And Bruce Hobbs can do likewise with *Swirel* in the Cresacre Plate (6.45) and *Intended* in the Woodland Plate (7.45) at Windsor.

NEWCASTLE  
2.30—Good Service\*\*  
2.50—King's Fling  
2.50—Medicinal Compound  
3.00—Cripp  
3.30—Never Alone  
3.50—Military  
NOTTINGHAM  
6.30—Orangetop  
7.25—Faintness  
7.50—Sailor Hat  
WINDSOR  
6.45—Squirrel  
7.45—Intended\*\*\*  
8.15—Ward Mistress

In all probability *Mill Reef's* next race will be the Prix de l'Arc de Triomphe on October 3. If, as is almost invariably the case at Longchamp at that time of year, the ground is heavy, Oris is likely to be his most dangerous rival. *Mill Reef* has

tested by, among others, the Irish 2,000 guineas winner *King's Company*; *Ashleigh*; *Joshua*; and *Realm*.

and the Muscovites; a comparison, 9.25 Boris Godunov; 9.50 Boris Godunov; 10.25 Boris Godunov; 10.50 Boris Godunov; 11.25 Boris Godunov; 11.50 Boris Godunov; 12.25 Boris Godunov; 12.50 Boris Godunov; 13.25 Boris Godunov; 13.50 Boris Godunov; 14.25 Boris Godunov; 14.50 Boris Godunov; 15.25 Boris Godunov; 15.50 Boris Godunov; 16.25 Boris Godunov; 16.50 Boris Godunov; 17.25 Boris Godunov; 17.50 Boris Godunov; 18.25 Boris Godunov; 18.50 Boris Godunov; 19.25 Boris Godunov; 19.50 Boris Godunov; 20.25 Boris Godunov; 20.50 Boris Godunov; 21.25 Boris Godunov; 21.50 Boris Godunov; 22.25 Boris Godunov; 22.50 Boris Godunov; 23.25 Boris Godunov; 23.50 Boris Godunov; 24.25 Boris Godunov; 24.50 Boris Godunov; 25.25 Boris Godunov; 25.50 Boris Godunov; 26.25 Boris Godunov; 26.50 Boris Godunov; 27.25 Boris Godunov; 27.50 Boris Godunov; 28.25 Boris Godunov; 28.50 Boris Godunov; 29.25 Boris Godunov; 29.50 Boris Godunov; 30.25 Boris Godunov; 30.50 Boris Godunov; 31.25 Boris Godunov; 31.50 Boris Godunov; 32.25 Boris Godunov; 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A Copy of this Prospectus, having attached thereto the documents specified below, has been delivered to the Registrar of Companies for registration. Application has been made to the Council of The Stock Exchange, London, for permission to deal in and for quotation for 800,000 Ordinary Shares and 300,000 Warrants each conferring the right to subscribe one Ordinary Share ("the Warrants") to be issued.

The Applications Lists for the Ordinary Shares and the Warrants now being issued will open at 10 a.m. on 29th July, 1971, and will close at any time thereafter on the same day.

# Thanet Investment Trust Limited

(Member of the Association of Investment Trust Companies)

## SHARE CAPITAL

Authorised

£3,000,000 in 6,000,000 Ordinary Shares of 50p each

LOAN CAPITAL

£500,000 8 per cent. Debenture Stock 1988/93

Issued and to be Issued

£1,500,000

Issued and outstanding

£500,000

Except as mentioned above, at the close of business on 16th July, 1971, Thanet Investment Trust Limited ("the Company") and its subsidiaries ("the Group") had no bank overdrafts or other similar indebtedness (other than intra-Group indebtedness), mortgages, charges, hire purchase commitments, or guarantees or other material contingent liabilities outstanding.

THIS PROSPECTUS  
IS PUBLISHED IN CONNECTION WITH THE

## ISSUE TO THE PUBLIC

OF 600,000 ORDINARY SHARES AT 50p EACH AT 66p PER SHARE

AND 300,000 WARRANTS AT 28p PER WARRANT

Each Warrant confers the right to subscribe one Ordinary Share of 50p at 80p.

## LEOPOLD JOSEPH & SONS LIMITED

is authorised to receive applications for the above-mentioned shares and Warrants.

Directors	The Honourable Anthony George Berry, M.P., 91 Eaton Place, London SW1X 8NE	Investment Managers	Brokers	Solicitors	Secretaries and Registered Office
The Right Honourable The Viscount Kemsley (Chairman), Thorpe Lubenham, Market Harborough, Leics.	Richard Mark Cox-Johnson, F.I.A., 63 Frognel, Hampstead, London NW3 6YA	Leopold Joseph & Sons Limited, 31-45 Gresham Street, London EC2V 7EA.	Joseph Sabag & Co., 3 Queen Victoria Street, London EC4 N8DX, and The Stock Exchange, London.	Clifford-Turner & Co., 11 Old Jewry, London EC2R 9DS.	Leopold Joseph & Sons Limited, 31-45 Gresham Street, London EC2V 7EA.
The Honourable Denis Gomet Berry, T.D., Brockenhurst Park, Brockenhurst, Hants.	Ronald Seymour Dossor, F.C.A., 2 Bolton Road, Chiswick, London W4 3TS	Benkers Leopold Joseph & Sons Limited, 31-45 Gresham Street, London EC2V 7EA. National Westminster Bank Limited, 217 Strand, London, WC2R 2AS	Norris Oakley Richardson & Glover, Kant House, Telegraph Street, London EC2 P2HP, and The Stock Exchange, London.	Auditors and Reporting Accountants Price Waterhouse & Co., 3 Frederick's Place, Old Jewry, London EC2R 9DS. (Chartered Accountants).	Registrars and Transfer Office Phasoy Registrars Limited, 6 Eldon Street, London EC2M 7LU

Applications for the Ordinary Shares and Warrants now being issued must be made on the relevant Application Forms and must be forwarded to Leopold Joseph & Sons Limited, New Issue Department 31-45 Gresham Street, London EC2V 7EA, with a remittance for the full amount payable on application so as to arrive not later than 10 a.m. on Thursday, 29th July, 1971. Applications must be for a minimum of 100 shares or (as the case may be) 100 Warrants (confering subscription rights in respect of 100 shares) or in multiples thereof. Applications for Ordinary Shares and Warrants are separate applications and must be accompanied by separate cheques. Cheques must be in favour of Leopold Joseph & Sons Limited and crossed "not negotiable" drawn in sterling on a bank or branch thereof in England, Wales or Scotland for the full amount payable on application.

Existing shareholders who apply for shares on the special forms despatched to them (together with copies of this Prospectus) will be given preferential consideration in such manner as to ensure that, in the event of a ballot or in the event of applications being scaled down, the allocation of shares and Warrants to such applicants shall (in the proportion to the number of shares or Warrants applied for by such applicants), be double the allocation to other applicants.

Acceptances of applications (including underwriting applications) will be conditional upon the granting by the Council of The Stock Exchange, London, of permission to deal in and quotation for the Ordinary Shares and the Warrants of the Company to be issued on or before 6th August, 1971. Monies paid in respect of applications will be returned if such permission to deal and quotation are not granted by that date and in the meantime will be retained by Leopold Joseph & Sons Limited in a separate account.

If any application is not accepted the amount paid on application will be returned to the applicant in full by cheque. If the number of shares allotted or Warrants issued is less than the number applied for the balance of the application monies will be returned by cheque, in each case through the post at the applicant's risk. Leopold Joseph & Sons Limited reserves the right to present all cheques for payment on receipt and to withhold Letters of Allotment and any surplus application monies pending clearance of applicants' cheques. Due completion and delivery of the relevant Application Form accompanied by a cheque will constitute a warranty that the cheque will be honoured on first presentation and attention is drawn to the declaration in the Application Form to that effect. Any application which does not fulfil the conditions stated in the relevant Application Form may be rejected. The right is reserved to reject any application or to accept any application in part only and in particular to reject multiple or suspected multiple applications. Fully paid renounceable Letters of Allotment in respect of both shares and Warrants will be sent by post to allottees at their risk, the last date for registration of renunciations being 3rd September, 1971. Certificates for Shares and Warrants will be available after 1st October, 1971. Copies of this Prospectus and Application Forms may be obtained from Leopold Joseph & Sons Limited, 31-45 Gresham Street, London EC2V 7EA, Joseph Sabag & Co., at 3 Queen Victoria Street, London EC4 N8DX, and 6 Bruton Street, London W1X 7AG, Norris Oakley Richardson & Glover, Kent House, Telegraph Street, London EC2 P2HP, and from National Westminster Bank Limited, 41 Lombury, London EC2P 2BP, 217 Strand, London WC2R 2AS, 8 Bennetts Hill, Birmingham B2 5QX, and 55 King Street, Manchester M60 2DB.

### HISTORY AND BUSINESS

The Company was incorporated on 24th November, 1933, as a private investment company. On 30th September, 1968, the Company acquired the whole of the issued share capital of Chandos Holdings Limited ("Chandos"), another investment company, for the sum of £145,955, both of which companies being then owned by the family of the late Viscount Kemsley.

The Company has a second subsidiary, Thanet Finance Limited ("Finance"), a dealing company which was incorporated in September, 1968.

In October, 1968, the Company arranged a placing of £500,000 nominal of 8 per cent. Debenture Stock 1988/93 ("the Stock"), made an issue of 1,191,666 Ordinary Shares to the public and obtained permission to deal in and quotation for the whole of its issued share capital on The Stock Exchange, London.

Viscount Kemsley and the Hon. Denis Berry have been Directors of the Company since 1943 and the Hon. Anthony Berry since 1944 and all three Directors have been Directors of Chandos and Finance since their incorporation.

Since January, 1967, the portfolio of the Group has been managed by Leopold Joseph & Sons Limited.

### INVESTMENT MANAGEMENT AND POLICY

The portfolio of the Group will continue to be managed by Leopold Joseph & Sons Limited and the investment policy of the Company will continue to be one aimed at achieving an above average rate of growth of capital. If capital growth is obtained, there should be a corresponding growth in income.

It is the intention of the Directors that neither any one holding in a company (other than the holdings of the Company in subsidiaries) nor the total holdings in unquoted securities shall represent more than 15 per cent. by value of the investing company's assets.

At 30th June, 1971, the investments of the Group were distributed approximately among the following areas:-

United Kingdom (80.3 per cent.), Australia (3.7 per cent.), Africa (B 5 per cent.), U.S.A. and Canada (3.9 per cent.), other countries (3.6 per cent.).

and amongst the following industries:-

Capital goods (12.3 per cent.), Consumer goods (17.2 per cent.), Oils (1.0 per cent.), Financial institutions (16.9 per cent.), Property companies (10.3 per cent.), Overseas mining groups (13.6 per cent.), General (19.2 per cent.).

The distribution of the Group's portfolio will be subject to variation as investment opportunities arise.

The Group publishes its net assets value each month in the list of the Association of Investment Trust Companies in the Financial Times.

### RECORD OF THE GROUP

The profit record of the Group has been affected by the new funds raised in 1968, which were put on deposit pending investment. The unaudited results for the six months ended 30th April, 1971, show a profit before taxation of £28,975 in comparison with £20,816 for the corresponding period of the previous year.

There is set out below the increase in the value of the portfolio of the Group (after allowing for the net proceeds of the issues of shares and the Stock in October 1968) between 31st March, 1967 (the date on which the accounts of the Company were first audited following the appointment of Leopold Joseph & Sons Limited as investment managers) and 30th June, 1971. A comparison is made with the increase in the Financial Times Industrial Ordinary 30 Share Index ("FT Index") over the same period:-

	% increase in portfolio from 31st March, 1967, to 30th June, 1971	% increase in FT Index over same period
1971	89.1	16.5

In arriving at the value of the portfolio net current assets have been added to the market value of quoted investments and the Directors' valuation of unquoted investments. No deduction has been made for the Stock or for the contingent liabilities for capital gains tax and for surrender of the dollar premium on the realisation of the investments at these values. This increase in the value of the portfolio is equivalent to an annual compound growth rate of 13.1 per cent.

### PURPOSE OF THE PRESENT ISSUES

The Directors believe that worthwhile investment opportunities will continue to arise both in the United Kingdom and elsewhere and the raising of fresh capital will enable them to take fuller advantage of such opportunities. The enlargement of the issued capital of the Company will also improve the marketability of its shares.

### ISSUE OF SHARES

It is proposed to raise the sum of £480,000 by the present issue of 600,000 Ordinary Shares of 50p each at 66p per share and 300,000 Warrants at 28p per Warrant. The net asset value of each existing Ordinary Share of the Company at 30th June, 1971, was 84.2p before deducting the contingent liabilities or capital gains tax and for surrender of the dollar premium. The discount which the issue price of the new Ordinary Shares of 66p per share bears to this figure is 21.6 per cent. These contingent liabilities at 30th June, 1971, were equivalent to 4.6p per share. The funds raised by the issue of Warrants will be sufficient to ensure that the net asset value of each existing Ordinary Share will not be materially reduced by the share issue.

On 20th July, 1971, the latest practicable date before the date of this Prospectus, the middle market quotation for the Ordinary Shares of the Company as shown in The Stock Exchange Official Daily List for that day was 70p per share. At the issue price of 66p per share, the discount on this quotation is 5.7 per cent.

### ISSUE OF WARRANTS

The Warrants will be quoted on The Stock Exchange, London, and each Warrant will confer the right to subscribe for one Ordinary Share of the Company at 80p.

There are no restrictions on the subscription rights attached to the Warrants being exercisable during any period of any year and there is no final date by which such rights must be exercised.

### RIGHTS OF SHARES AND WARRANTS

A summary of the rights attached to the Ordinary Shares and further particulars of the Warrants are set out under Statutory and General Information below.

### TAXATION

#### General

So far as is known the Company is not a close company. It is the intention of the Directors to ensure that the Company will continue to satisfy the conditions for approval as an investment trust laid down in Section 359 of the Income and Corporation Taxes Act 1970 (formerly Section 37 of the Finance Act 1965), so that any net realised chargeable gains (after tax) made by the Company will be allowable in the hands of shareholders as a deduction in calculating any chargeable gains on disposal of the shares held by them and also that chargeable gains realised by the Company will be subject to corporation tax at present at the rate of 30 per cent. as against the present rate applicable to companies of 40 per cent.

Under the provisions of Section 357 (1) of the Income and Corporation Taxes Act 1970 (formerly Section 67 (3) of the Finance Act 1965) the Company, subject to the approval of the Inspector of Taxes, apportion between the shareholders the deduction which shareholders are entitled to make in calculating any chargeable gain on disposal of their shares, regard being had to the proportion of the Company's assets attributable to different classes of shares.

#### Taxation aspects of Warrants

Under the present provisions of the 1971 Finance Bill, which has not yet been enacted and is therefore subject to amendment, the subscription rights will not constitute "wasting assets" and on their disposal the full cost will be allowed in computing the gain or loss for capital gains tax purposes. Persons who exercise their subscription rights will not thereby be treated as disposing of them and the cost of subscription rights will be added to the amount paid on exercising those rights in computing any gain or loss on the eventual disposal of the Ordinary Shares thereby acquired.

### WORKING CAPITAL

The Directors are of the opinion that, taking into account the proceeds of this issue, the Group will have sufficient working capital for its present requirements.

### NET PROCEEDS OF THE ISSUES

The net proceeds of these issues are estimated to amount to £445,000 and it is proposed to apply them in the purchase of further investments as and when suitable opportunities occur.

### DIVIDENDS

The Ordinary Shares now being issued will rank for the final dividend in respect of the current financial year ending 31st October, 1971, and in all other respects *pari passu* with the existing issued Ordinary Shares.

The final dividend which the Directors expect to recommend would be 2½ per cent. for payment in about January, 1972, and which, when added to the interim dividend of 2 per cent. already paid on 1st July, 1971, is equivalent to a yield of 3.6 per cent. on the issue price.

### ACCOUNTANTS' REPORT

The following is a copy of a report dated 23rd July, 1971, received from Price Waterhouse & Co., Chartered Accountants, the Auditors of the Company:-

To the Directors,  
Thanet Investment Trust Limited and  
Leopold Joseph & Sons Limited.

23rd July, 1971.

We have examined the books and accounts of Thanet Investment Trust Limited ("the Company") and its wholly owned subsidiaries, Chandos Holdings Limited and Thanet Finance Limited (together constituting "the Group"), for the periods relevant to this report.

#### NET ASSETS

The following is a statement of the net assets of the Group at 31st October 1969 and 1970 based on the amounts shown in the audited balance sheets of the Group:-

	1969	1970	
<b>FIXED ASSETS</b>			
Office furniture and fittings at cost	6,070	6,073	
Less: Depreciation	4,895	5,156	
Quoted investments at market value (note 2)	2,072,284	2,132,611	872
Unquoted investments at directors' valuations	80,621	82,191	
	2,153,615	2,215,782	
<b>CURRENT ASSETS</b>			
Debtors	4,615	4,578	
Income tax recoverable	—	9,021	
Bank balances	161,562	185,000	
Deposits with Leopold Joseph & Sons Limited	116	103	
Current account	—	169,593	
	166,293	178,700	
<b>LESS: CURRENT LIABILITIES</b>			
Bank overdraft	6,087	10,228	
Creditors and accrued charges	16,459	53,472	
Taxation	2,181	33,000	
Proposed final dividend	—	57,737	
	24,727	96,700	
<b>LESS: 8% DEBENTURE STOCK 1988/93 (note 4)</b>	2,288,549	2,296,634	
	500,000	500,000	
<b>NET ASSETS EMPLOYED</b>	<b>£1,786,549</b>	<b>£1,788,634</b>	

	Representing		
SHARE CAPITAL	Ordinary shares of 50p each	1,200,000	1,200,000
SHARE PREMIUM ACCOUNT		254,482	254,482
CAPITAL RESERVE		84,478	52,585
UNREALISED APPRECIATION OF INVESTMENTS (note 5)		162,608	189,848
RETAINED EARNINGS		29,258	32,163
<b>TOTAL OF SHAREHOLDERS' INTERESTS</b>		<b>1,710,826</b>	<b>1,729,056</b>
OFFERED LIABILITIES (note 5)		52,230	64,003
Capital gains tax at 30% (note 6)		3,433	8,571
Offer premium—proportion to be surrendered		—	—
		<b>55,723</b>	<b>89,578</b>
		<b>£1,766,549</b>	<b>£1,798,634</b>
		<b>1969</b>	<b>1970</b>
Equivalent to the following amounts per share:			
Net assets employed		73.6	74.9
Offered liabilities		2.3	2.9
		<b>71.3</b>	<b>72.0</b>

#### NOTES:

1. We have obtained confirmation from the Company's investment managers, Leopold Joseph & Sons Limited, that the Company's investments were held by them or to their order at 31st October, 1969 and 1970.

2. The market value of the quoted investments at 31st October, 1970, has been ascertained by taking the middle market prices quoted on the respective dates to which has been added, where applicable, the full investment dollar premium of 26½ per cent. in 1969 and 30½ per cent. in 1970.

3. At 31st October, 1970, the Company held the following investment representing more than 10 per cent. of the particular class of issued share capital:

Company	Class of share	Percentage held
C.T. Construction (Herts) Limited	£1 ordinary	50%
4. The 8% Debenture Stock 1988/93 was created in October, 1968, and is secured by a first floating charge over the whole of the undertaking and assets of the Company.		
5. Unrealised appreciation of investments held by the Company at 31st October, 1969 and 1970, is stated after deducting the amount set aside as deferred liabilities for specific contingencies which would have arisen had the investments been sold at the amounts at which they are stated at these dates.		
6. The Company has satisfied the conditions for approval under Section 359, Income and Corporation Taxes Act, 1970, as a result, capital gains realised by the Company will be chargeable to tax at the rate of 30 per cent.		
7. The Company had an investment in subsidiaries at 31st October, 1970, at cost less amounts written off, of £108,340. This was represented by amounts advanced to the Company of £108,240 and net current assets of £398.		

PROFITS

The income, expenditure and profits (loss) before taxation of the Group for the six accounting periods ended 31st October, 1970, arrived at on the basis set out below, were as follows:-

	Year ended 31st March 1966	Year ended 31st March 1967	Year ended 31st March 1968	7 months ended 31st October 1968	Year ended 31st October 1969	Year ended 31st October 1970
<b>INCOME</b>						
Investment income—						
Franked	48,161	24,285	27,655	13,280	49,102	60,252
Unfranked	8,855	6,683	8,140	5,270	44,931	39,822
Interest on family loans	9,331	3,738	4,575	2,467	—	—
Deposit interest	6,815	8,362	10,432	12,739	24,195	10,916
Underwriting commission	2,012	4,330	1,087	1,558	1,894	2,357
Rent receivables	7,111	—	—	—	—	—
	<b>82,295</b>	<b>48,408</b>	<b>51,868</b>	<b>35,304</b>	<b>119,922</b>	<b>113,347</b>
<b>EXPENDITURE</b>						
Debenture stock interest	1,875	—	—	192	32,246	48,000
Bank interest	320	1,642	79	2,063	127	134
Interest on family deposits	10,882	9,356	8,019	6,219	—	—
Expenses of management	22,403	20,281	21,132	12,156	10,409	11,251
Rent of investment property	4,000	—	—	—	—	—
	<b>39,480</b>	<b>31,279</b>	<b>29,230</b>	<b>20,850</b>	<b>42,782</b>	<b>51,385</b>
<b>PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS</b>	<b>£42,815</b>	<b>£17,129</b>	<b>£22,638</b>	<b>£14,554</b>	<b>£77,140</b>	<b>£61,962</b>
<b>EXCEPTIONAL ITEMS</b>						
Cost of annuities purchased to secure pensions	—	—	—	28,166	—	—
Special payment to former director	—	—	—	—	—	5,000
	—	—	—	<b>28,166</b>	—	<b>5,000</b>
<b>PROFIT (LOSS) AFTER EXCEPTIONAL ITEMS BUT BEFORE TAXATION</b>	<b>£42,815</b>	<b>£17,129</b>	<b>£22,638</b>	<b>(£11,512)</b>	<b>£77,140</b>	<b>£66,962</b>

The profits (loss) shown above are stated before deducting taxation but after charging all expenses of working and management including debenture and other interest payable. They do not include profits and losses on the realisation of investments, less capital gains tax thereon, which are credited direct to capital reserve. Corporation tax on the profit for the year ended 31st October, 1969, amounted to £11,006 after relief for overseas taxation paid of £1,916. There was no corporation tax charge on the profit for the year ended 31st October, 1970.

In October, 1968, the Company arranged a placing of £500,000 nominal of 8 per cent. Debenture Stock 1988/93 and issued 1,191,666 ordinary shares to the public. The net proceeds of these two issues being £1,368,863. As a result of the issue the Company ceased to be a close company controlled by the family of the late Viscount Kemsley and obtained a public quotation. During the period up to 31st October, 1968, members of the Kemsley family made deposits with the Company and borrowed from the Company. No such deposits or borrowings were outstanding at 31st October, 1968, nor have any been made since then. With certain minor exceptions, interest was charged and credited on these loans and deposits; the rate of interest was 1 per cent. above and 1 per cent. below Bank Rate respectively.

The loss for the seven months ended 31st October, 1968, is stated after charging £26,166 being the cost of annuities purchased to secure as from 1st October, 1968, pensions of £3,500 per annum previously paid by the Company and charged as expenses of working and management.

Investment income shown above included the following income from unquoted investments: Years ended 31st March, 1966, £1,125; 1967, £450; 1968, £2,559; 7 months ended 31st October, 1968, £1,469; years ended 31st October, 1969, £2,111; and 1970, £3,304.

The expenses of management for the year ended 31st October, 1970, include directors' emoluments of £1,750. No changes are proposed in the arrangements for directors' emoluments.

#### DIVIDENDS

The rates of dividend paid by the Company in respect of the five years and seven months ended 31st October, 1970 were as follows:-

	Issued ordinary share capital of: £	Rate of dividend %
Year ended 31st March		
1966	540,000	7
1967	540,000	4
1968	540,000	3½
7 months ended 31st October, 1968	1,200,000	—
Year ended 31st October—		
1969	1,200,000	4½
1970	1,200,000	4½



## Lack of liaison hits two major events

# Trust Houses Forte Limited

(except Canada and Rhodesia), the Irish Republic, British Trust Territories, British Protectorates and Protected Dependencies. Scheduled Territories at present comprise The British Commonwealth (except Canada and Rhodesia), the Irish Republic, British Trust Territories, British Protectorates and Protected Dependencies. Approved Agents in the United Kingdom are listed in the current issue of the Bank of England's Notice E.C.Y.O.



## THE WEEK IN THE COURTS

# Plain words for taxpayers and motorists

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Overseas News

IN BRIEF

● NATO allies have agreed in principle to appoint an experienced diplomat—almost certainly Sir Geoffrey Howe, the retiring Secretary-General—to solicit out Soviet intentions on proposals for mutual force cuts later this year.

● SOVIET Car sales doubled in the first six months of this year compared with the first six months of 1970, according to official figures released in Moscow. Output reached 225,000, less than half the target of 513,000 for the current year. Production overall showed an 8.5 per cent increase.

● ITALY suffered a tax shortfall more than 10 per cent, the biggest in its history, during the first six months of this year.

● VIETCONG guerrillas killed 200 civilians and wounded 20 more when they pumped rockets and grenades into a Mekong valley in the north of South Vietnam.

● SOVIET Deputy Minister of Foreign Trade, Mr. Alexey Mal'nev, is in Lagos to negotiate a new trade agreement with Nigeria.

● LIBERIA—The body of President William Tubman was flown from London yesterday for next week's funeral. Foreign Secretary Sir Alec Douglas-Home was at Heathrow Airport to watch the guard of honour of the Brigade of Guards bear the flag-draped coffin on to an RAF air support command.

● PAKISTAN has bought three coasters from China and is chartering 17 from the U.S. to move foodgrains to East Pakistan.

● The U.S. presidential economic adviser, Mr. Milton Friedman, has been named as the U.S. ambassador to the new government.

● The U.S. Secretary of State, Mr. William P. Rogers, has appointed a Royal Commission to investigate the purchase of 87 diesel locomotives during the term of the previous government from Britain, West Germany and East Germany to see whether the Government suffered any loss as a result of the purchase.

Israeli Cabinet prepares for Sisco visit

By Our Own Correspondent

TEL AVIV, July 25.

THE Israeli Cabinet met today to discuss Israel's strategy in talks with the American Assistant Secretary of State, Mr. Sisco, who is due to arrive in Tel Aviv later this week. The Israeli Ambassador to Washington, Issac Rabin, attended the session.

Foreign Minister Abba Eban reported to the Cabinet on American-Israeli relations in the light of Washington's reluctance to supply Israel with more Phantom jets. Israeli officials claim that a failure to supply Israel with more Phantoms would be interpreted as an American attempt to improve relations with Egypt at Israel's expense.

Diplomatic sources said that the Cabinet also discussed the impact of the latest policy speech by Egyptian President Sadat. A feeling in Jerusalem was that Egyptian President was trying to increase pressure on Washington to get Israel to soften its terms for the opening of the Suez Canal on the eve of Mr. Sisco's visit to Israel. It is felt that unless Egypt comes up with new terms, there are no prospects for the re-opening of the Suez Canal or free navigation in the near future.

Egypt's GNP to double in ten years

By Our Own Correspondent

CAIRO, July 25.

RESIDENT ANWAR SADAT reassured the Arab Socialist Union Congress yesterday with a plan of action aimed at doubling Egypt's national income within 10 years. It also provides for the reconstruction of the rural area over a 20-year period by building 4m. new housing units at a cost of £1,000m. (£1,040m.).

Mr. Sadat also proposed that there should be adequate guarantees for the private sector to fulfil its role in national development "under the people's control".

Pointing out that 3m. citizens could come of working age within the next 10 years, the President urged that industrial production should more than double over the period. He laid target of £4,500m. against the current estimate of £2,123m. Fifteen per cent of the profits from state-owned concerns should be allocated to the stabilising of new industrial enterprises, he said.

Agriculture was set a target of £1,600m. within 10 years against the present production of £1,075m. Mr. Sadat gave the government six months in which to present a detailed plan for the next five years.

War Minister General Mohamed Aden told the political and military committee that the next confrontation with Israel would be "entirely different". He stressed the expansion of Egypt's technological forces and the great improvement in the fighting efficiency of the air force (now equipped to fly the latest MIG 23 aircraft). More attention had been paid to the naval forces.

# Kremlin denounces futility of China-U.S. collusion

BY MICHAEL SIMMONS, EAST EUROPEAN CORRESPONDENT

THE SOVIET leadership, breaking its 10-day silence over the coming Nixon visit to Peking, fears that a special U.S.-China relationship could lead to an unacceptable "political combination" against Moscow and its allies but reaffirms its willingness to co-operate "vigorously" with all countries, including the U.S. and China.

The Kremlin, airing its views through a long article in the Party newspaper, Pravda, adopts a predictable and unprovocative line, broadly following the thinking of its East European partners, whose views emerged more than a week ago. "It goes without saying," the newspaper said, "that any desiring to use the contacts between Peking and Washington for some 'pressure' on the Soviet Union and the states of the socialist community are nothing but the result of loss of touch with reality."

It is maintained that "no one in the Soviet Union" is saying anything sensational in U.S. Chinese contacts, but added that "all progressive, peace-loving forces gave serious attention and vigilance to the manoeuvres of certain circles..." It also draws attention to the "great gap" between American words and deeds, and once again accuses the Chinese of "anti-Leninist" and "splitting" attitudes.

In the same newspaper, a much more hawkish, sabre-rattling approach, Admiral Sergei Korskov, Commander-in-Chief of the Soviet Navy, stated that this Navy was now "equipped with nuclear missile weapons capable of reaching any point on the globe." These weapons, he declared, along with strategic rocket troops, are "the main deterrent of aggressors and a reliable shield of the world socialist system."

East and preventing a normalisation of the situation in Europe. President Ceausescu of Romania, thought by many to have helped pave the way for the Nixon visit to Peking, and who this week receives the heads of Government of all the European Communist countries at a Somerton meeting in Bucharest, has meanwhile warned—with characteristic tightrope artistry—that the earlier imperialist policy of ignoring the Soviet Union had completely failed, and that the policy of isolating China had similarly failed.

He told a local party meeting in South-East Romania that the West could not begin to solve international problems without referring to China and without this country's "rightful participation" in the United Nations. For this sort of reason there must be closer co-operation between all Communist countries.

Two Americans out of every three in a New Jersey opinion poll of 1,003 think President Nixon's projected trip to Peking is a good thing. Forty-one per cent say China should be admitted to the UN, and 40 per cent say no.

# Libyan investment in Malta is subject of Tripoli talks

BY GODFREY GRIMA

TALKS open in Tripoli this week on plans to start direct Libyan investment in Malta in the context of negotiations for a new trade pact.

Undoubtedly Dr. Anton Buttigieg, the Maltese Deputy Premier, who yesterday led a six-man delegation to Tripoli—including Finance Minister Dr. Joseph Abela, the Prime Minister's private secretary Mr. Joe Camilleri, and three senior civil servants drawn from the Central Bank, the Crown Advocate General's office, and the Ministry of Trade—will return to Malta with a new trade pact to replace that signed in 1967.

At the airport yesterday he was at pains to repeat that the negotiations will be directed at increasing trade orders from Libya.

But the real issue in this week's talks is the immediate need to prepare for the arrival of British troops in Malta, rather than purely commercial affinity. Both Governments understand that this must be achieved as early as possible if it is to have the desired effect. On the one hand, Prime Minister Don Mintoff is seeking guaranteed alternative sources of revenue to ease the possible departure from Malta of some European investors who are unhappy with the present political climate. On the other hand, a new economic arrangement with Malta would offer Libya the affinity it seeks with the U.S. independent-minded Government.

VALLETTA, July 25.

On the trade front, improvements are possible now that the Libyans are ready to purchase more from Malta as long as Mr. Mintoff is in power. During the Borg Olivier administration, the Khadafi regime had managed to cut down orders by almost £500,000.

A new trade pact must also carry favourable payment conditions for Maltese exporters who want to be paid on the dot. Despite the Khadafi regime's restrictions on foreign exchange, some £600,000 owed to the Maltese were recently allowed out of Libya on orders from the Revolutionary Command Council.

In a surprise move, the Government yesterday appointed Dr. Azzid Prado Minister Plenipotentiary to the UN. Mr. Mintoff had removed him from his previous position as Ambassador to the UN a week after coming to power, and only two weeks ago Dr. Prado was prevented from leaving the island because he allegedly owed the Inland Revenue £3,300 in taxes.

Dr. Prado has now gone to Geneva to take part in the deliberations of the UN Committee for the peaceful use of ocean beds.

# Five more U.S. railways get strike notices

CLEVELAND, July 25.

THE United Transportation Union, which has already shut down four U.S. railways with selective strikes, has put five more carriers on notice that strike action will be taken against them unless new national wage settlements are reached. The notice brings to 15 the number of railways which have been halted or are under strike notice.

In a statement released through UTAU headquarters on Saturday, union president Charles Luna said union members would "peacefully withdraw their services in pursuit of a national agreement" from the five latest carriers on August 6. Named as targets of the latest strike action were the Chicago, Rock Island and Pacific; Chicago Milwaukee and St. Paul; Missouri, Kansas, Texas; Baltimore and Ohio; and Chesapeake and Ohio railroads.

The UTAU began selective striking railroads to back demands for a national contract settlement on July 16, with strikes against the Southern and Union Pacific Railroads. A planned strike against the Chicago and North Western Railroad was halted by Federal Court order, and a private settlement was reached with the union.

The national railroads then retaliated by introducing disputed work rules changes that have been the major block to a national settlement. The union promptly served two more railroads with a strike notice to protest the "unilateral" work rules changes, which Luna charged amounted to "a thinly disguised lockout."

UPI

# Agreement by cocoa countries

ROME, Togo, July 25.

THE ad hoc economic committee of the Alliance of Cocoa Producing Countries has approved plans for an international cocoa fund and a draft agreement among producing countries.

No announcement was made after the committee, which had been meeting here since Tuesday, ended its session on Friday night. The committee's decision can be made public only when they have been approved by the Alliance's general assembly, due to be held in Lagos in September.

The International Cocoa Fund will enable the producing countries to buy back their surplus production, avoid flooding the market and thus contribute to stabilising prices, a well-informed source said.

Reuter

# Hussein leaves for talks with Feisal on guerilla question

BEIRUT, July 25.

Front, were said to be pressing for a reorganisation of guerrillas in secret cells to fight King Hussein and his regime. Guerrilla leader Yasser Arafat was reported to be still in the idea of giving up an open commando presence in Jordan altogether. On the other hand he was reported by Palestinian sources to have found it next to impossible to accept a new Jordanian offer for a streamlined and limited guerrilla presence on Jordanian soil.

All the main guerrilla groups are now represented in the Executive Committee, the highest authority in the movement.

Under the Jordanian offer, Palestinian sources explained, "true fedayeen," or commandos, will be stationed in a strip of territory about 35 miles long and five miles wide immediately on Jordan's 1967 ceasefire line with Israel. The fedayeen must not be present on the true line that was established between Jordan and Israel in 1948. The Government apparently insists future guerrilla activity should be limited to the occupied West Bank and must not cover old Israeli territory.

ABU DHABI, July 25.

constitution individual states would retain their own defence forces "but these will be at the disposal of the federal army if such a need arises."

Informed sources here said the British offer of military aid together with an offer of a friendship treaty would probably be one of the subjects under review with government officials from Dubai and Abu Dhabi who arrived in London this week-end for discussions.

On foreign affairs, Sheikh Zayed said the union would apply for both Arab League and UN membership. Diplomatic relations would be established initially with Arab states and also with friendly non-Arab countries which were already engaged in the Gulf area.

Reuter

# Gulf states to form army

Lebanese President, Suleiman Franjeh, was reported to have proposed holding an Arab summit conference here in Lebanon.

New mediation came at a time when the executive committee of the Palestine Liberation Organisation (PLO) had been meeting in Damascus to consider alternatives regarding the future of the guerrilla movement in Jordan.

Marxist organisations, such as PFLP and Popular Democratic

McKENZIE & CO. LTD.

This Advertisement is issued in compliance with the Regulations of the Council of The Stock Exchange, London for the purpose of giving information to the Public with regard to Forminster Limited (the Company). The Directors collectively and individually accept full responsibility for the accuracy of the information given and confirm having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement in it misleading.

Application has been made to the Council of The Stock Exchange, London for permission to deal in and for quotation for the whole of the issued share capital of the Company.

FORMINSTER LIMITED

Incorporated under the Companies Act, 1948.

SHARE CAPITAL

Authorised £200,000 in 2,000,000 Ordinary Shares of 10p each

Except for inter-group transactions, neither the Company nor either of its subsidiaries has any bank or similar indebtedness, loan capital, mortgages, charges, hire purchase commitments, material contingent liabilities or guarantees outstanding.

THIS ADVERTISEMENT IS ISSUED IN CONNECTION WITH A PLACING BY

Bragg, Stockdale, Hall & Co.

OF

800,000 ORDINARY SHARES OF 10p EACH AT 44p PER SHARE.

DIRECTORS:  
HENRY BRONSTEIN, 81 Station Road, London, NW4 5PA, (Chairman and Managing Director.)  
ELLEN YOUTELL, 17 Inverness Road, Brentwood, Essex, (Production Director.)  
DAVID MICHAEL PESTON, 6 Dorset Court, London, W1N 3FR, (Design Director.)  
MALCOLM SCOTT, M.A., LL.B., Mulberry Fields, Parndon, East Oakley, Banbury, (Solicitor.)

Bragg, Stockdale, Hall & Co., 4 Takehouse Buildings, 44 Abchurch Lane, London, EC4A 3DF and The Stock Exchange, London

SOLICITORS:  
To the Company: NABARRO, NATHANSON & CO., 211 Piccadilly, London, W1A 4SA.  
To Bragg, Stockdale, Hall & Co.: SLAUGHTER AND MAY, 25 Basinghall Street, London, EC2V 5DB.

AUDITORS:  
TRENT, RAYMOND & CO., Morris House, 1/3 Jermyn Street, London, SW1Y 4UF, (Chartered Accountants.)

REPORTING ACCOUNTANTS:  
PEAT, MARWICK, MITCHELL & CO., 11 Innesmead Lane, London, EC2A 4JH, (Chartered Accountants.)

SECRETARY AND REGISTERED OFFICE:  
LEONARD PERETZ, F.C.A., Morris House, 1/3 Jermyn Street, London, SW1Y 4UF.

BANKERS:  
MIDLAND BANK LIMITED, 140 Leadenhall Street, London, EC3A 4LJ.

REGISTRARS AND TRANSFER OFFICE:  
MIDLAND BANK LIMITED, Registrars' Department, Beaufort House, 1, Beaufort Street, London, EC2A 2ED.

HISTORY

The Company was incorporated in England on 13th February, 1951 under the name Daywear Limited and shortly afterwards it began trading as a manufacturer of ladies' dresses from its premises at 214 Cannon Road, Leytonstone, London, E15 2JL.

Littwoods Mail Order Stores Limited ("Littwoods"), became a customer of the Company in 1957 and since that time has purchased virtually the whole of the Company's output, which from then onwards included many kinds of ladies' outerwear. To meet the increasing volume of orders from Littwoods the Company has substantially increased its production capacity and in 1967 it moved its manufacturing activities to a factory in Church Road, Leyton, London, E15 1WH, with additional premises in Wilton Road, Leyton, purchased in 1970, providing a modern production line.

BUSINESS

The Company designs and manufactures ladies' dresses, blouses, skirts, slacks and suits for sale to Littwoods; about half the Company's output is taken by the retail branch of Littwoods and about half by the Mail Order Division. Spring/Summer and Autumn/Winter collections, 45 per cent of which represents standard lines, are created by the Company's design team and are shown to the buyers several months in advance of each fashion season. The Company works in close co-operation with Littwoods both as regards the selection of cloth and the terms of its purchases. The Company does not hold significant stocks of cloth and only manufactures against firm orders. The Company is now one of the main suppliers of ladies' outerwear to Littwoods.

MANAGEMENT AND STAFF

The Company's business is managed by the three full time Executive Directors. Mr. Henry Bronstein, who is 51, has been Chairman and Managing Director of the Company since 1957. He has a long experience in the clothing industry and is responsible for the Company's policy and for co-ordinating its design and production programmes. Miss Ellen Youtell, who is 45, joined the Company when it was formed and has been a Director since 1967. She is responsible for the Company's production and for ensuring that all aspects of the Company's business, Mr. Bronstein, Miss Youtell and Mr. Peston have each entered into a Service Agreement with the Company for a period of five years from 22nd July, 1971, with certain Material Contracts, below.

PREMISES

The Company has three premises in Church Road and Wilton Road, Leyton, London, E15 1WH and in Cannon Road, Leytonstone, London, E15 2JL, which together

ACCOUNTANTS' REPORT

The following is a copy of a joint report by Trent, Raymond & Co., the Company's Auditors, Peat, Marwick, Mitchell & Co., the Reporting Accountants, The Directors, FORMINSTER LIMITED, BRAGG, STOCKDALE, HALL & CO.

22nd July, 1971.

GENTLEMEN,

We have examined the audited accounts of Forminster Limited ("the Company") and of its wholly owned subsidiary, Daywear Limited for the year-period ended 30th April, 1971. The Company and Daywear Limited are collectively referred to as "the Group".

We report as follows:-

Turnover and profits

The turnover of the Group, being sales to outside parties, and the profits before taxation of the Group arrived at on the basis set out below, were as follows:-

Year ended 30th April:

1969 1970 1971

£ £ £

Turnover 181,085 202,224 212,371

Profits before depreciation 2,895 3,304 1,488

Depreciation 1,853 1,854 1,850

Profits before taxation 1,042 1,450 1,638

Income tax 1,078 1,078 1,078

Profits after taxation 1,042 1,450 1,638

Dividends 1,042 1,450 1,638

Reserves 1,042 1,450 1,638

Notes:-

1. The profits shown in column (1) above are stated before providing for taxation but after making provision for depreciation, including depreciation of directors' emoluments and after making such adjustments as we consider appropriate. The profits shown in column (2) above are stated after providing for taxation but before making provision for depreciation, including depreciation of directors' emoluments and after making such adjustments as we consider appropriate. The profits shown in column (3) above are stated after providing for taxation but before making provision for depreciation, including depreciation of directors' emoluments and after making such adjustments as we consider appropriate.

2. Stock and work in progress records are no longer available for accounting dates from 30th April, 1961 to 30th April, 1967 inclusive. Accordingly Peat, Marwick, Mitchell & Co. are unable to state whether such records are in accordance with the accounting dates and are not able to satisfy themselves as to the allocation of profit or accounts periods on or after 30th April, 1967. Trent, Raymond & Co., the auditors of the Group throughout the period under review, have confirmed that such records were produced to them at the relevant dates and they are satisfied that the records and work in progress were properly taken and valued on a consistent basis throughout the period.

3. No declaration has been provided in respect of freehold property.

4. The auditors' emoluments from the Group of the present directors of the Company for the year ended 30th April, 1971 were £25,950. Under arrangements now in force, these emoluments would have been £29,500.

Net Tangible Assets

The net tangible assets of the Company and of the Group based on the audited balance sheets at 30th April, 1971, and after making such adjustments as we consider appropriate, were as follows:-

THE COMPANY

Depreciation 30th April

1969 1970 1971

£ £ £

76,587 76,587 76,587

31,890 31,890 31,890

12,907 12,907 12,907

121,554 121,554 121,554

THE GROUP

Depreciation 30th April

1969 1970 1971

£ £ £

76,587 76,587 76,587

31,890 31,890 31,890

12,907 12,907 12,907

121,554 121,554 121,554

FIXED ASSETS

Freehold and Leasehold Properties and Buildings

Plant, fixtures and fittings

Motor vehicles

Investments in subsidiary company

Share 31 cent

Loan account

CURRENT ASSETS

Stocks and work in progress at the lower of cost and net realisable value

Debtors and prepayments

Tax reserve certificates

Cash at bank and in hand

CURRENT LIABILITIES

Creditors and accruals

Corporation tax payable 1st January, 1971

NET CURRENT ASSETS

FUTURE TAXATION

Corporation tax payable 1st January, 1971

Deferred taxation

NET TANGIBLE ASSETS

Notes:-

1. On 18th July, 1971, the Company acquired the issued share capital, comprising 2 shares of 10p each, of Daywear Limited (formerly Forminster Limited), for a consideration of £2. Daywear Limited was incorporated on 22nd July, 1971 and has not traded. An accounts have been prepared for Daywear Limited and no dividends have been paid.

Dividends

No dividends have been paid by the Company in respect of the period under review.

Accounts

No audited accounts of the Group have been prepared in respect of any period subsequent to 30th April, 1971.

Yours faithfully,

TRENT, RAYMOND & CO.,  
PEAT, MARWICK, MITCHELL & CO.,  
Chartered Accountants.

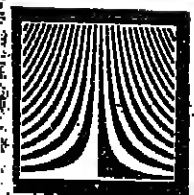
Comments and Documents

Trent, Raymond & Co. and Peat, Marwick, Mitchell & Co. have given and have not withdrawn their written consent to the issue of this Advertisement with the inclusion therein of their Report and references thereto in the form and context in which they are included.

Copies of the Material Contracts listed above, the Accountants' Report and the Statements of Adjustments, the above-mentioned comments, the audited accounts of the Company and Daywear Limited for their last two financial years ended 30th April, 1971 and the Memorandum and Articles of Association of the Company are to be made available at the offices of Slaughter and May, 25 Basinghall Street, London, E.C.2, during office hours on any business days (Sundays excepted) for a period of fourteen days following the date of this Advertisement.

DATED 22nd July, 1971.





# The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## HANDLING

### Air-powered conveyor system

NEW approach to factory conveyor systems using compressed air, tubes and electronic control has been developed and is in production by EDI of Ipswich.

EDI licensed the idea and selling rights from Rotax, part of the CAV-Lucas group, and carried out development work to give wider ranges of adaptability and application from a single unit using around 220 to complete systems embracing all machine types, stores, inspection and assembly. It is being installed at existing factories, and comes at the planning stage of new factories.

The new system has been named EDI-convoy, and gives automatic and rapid movement of components through tubes made of nylon, at present up to 2 inches diameter.

Specification of the tube is governed by the cross-sectional area of the component to be conveyed, which decides bore, id by the component's length, which decides radius of curvature in bends along the track. The pressures of air used vary according to the air annulus between component and tube, and are ranged under test from 5 to 30 p.s.i. The amount of air used is usually 2 second bursts or cycle, controlled by a relay circuit, and by electronic sensing heads.

At the "feed" end, the tube is attached to an operating valve, controlled and actuated by electronic sensing heads passing signals in a relay circuit. The sensing heads also control such optional attachments as counters, control monitors and data processing computers.

The receiving end is attached to a decelerator which delivers components into a hopper or the end of automatic machines. A sensing head just before the decelerator working in co-ordination with a sensing head just before the valve at the other end controls the rate of components.

Each section of EDI-convoy can be one, 10, 100, 1,000 or hundreds designed to comprehensive systems taking in whole factories—is each

a complete unit consisting of the required length of tubing, one air-operated valve, two sensing heads, one decelerator and one pneumatic control panel.

The sequence of operation begins at the "feed" end where the component is automatically fed into the chute—where a cleansing process can be incorporated if so desired. It drops past the solenoid-operated air valve, which blows the component along the tube at 44 feet per second. When the component approaches the second sensing coil prior to the decelerator, the piston in the valve at the "feed" end is returned to its open position, ready to receive the next component.

The design of the EDI-convoy valves reduces to a minimum any possibility of jamming by swarf or small particles; damage in a component during transfer in the comparatively soft pipeline is virtually impossible, and a great deal of design and development work has gone into deceleration without damage.

The system, from one or a few conveyor "lines" to all-embracing complexes, is designed following surveys of individual factory requirements and installed by EDI engineers.

The system, designed for individual factory requirements and installed by EDI engineers, would appear to be the answer to a host of problems. For new factories with modern automated production techniques it suggests new possibilities to automate feed and component transfer to such stages as high-speed grinders, electro-chemical machines and the emerging special-purpose automated machine tools.

For conventional factories it suggests advantages over belt conveyor systems and certainly over transporting work from machine to machine by labour in boxes with attendant loss of components, cluttered floorspace, downtime of machines, bottlenecks, interrupted production flow and delays between machine and inspection.

The EDI-convoy tubes run at ceiling level, freeing floor areas otherwise occupied by conveyor belts or boxes. This has already been proved to give a new flexibility to machine layout.

It also provides greatly improved access over floor-mounted systems, regulated and individually controlled workflow, inspection right behind machining irrespective of location or distance of inspection from

### Floating soft sheets

SHEETS of unpolymerised plastic and similar very soft and tacky materials can easily be handled and transported on a conveyor system developed by the Bertin Company, pioneers of the air cushion system applied to tracked vehicles.

The conveyor has no moving parts but consists of an array of low pressure air outlets which provide a complete series of air cushions across the conveyor face and this floats the sheet of material without contact between it and the conveyor structure.

The company has suggested, among applications for its new

machines (there is no limit to length of tube tracks), and EDI claim that maintenance costs are markedly lower than other conveyor systems (with tubing—the only probable replacement—at 17p a foot).

Running costs are an obvious advantage, with parts and prime mover—air—in use only when pieces are in conveyance, compared with the constant wear and use of power in, say, belt conveyors.

system, the handling of freshly painted products as well as the handling of materials during a further period of processing.

In the latter instance, the supporting air cushion would be replaced by hot air or process gas. In this way, the sheet could be dried, cooked, cooled, polymerised or treated in many other ways.

The conveyors can be adapted in shape to suit many kinds of products and to follow the most intricate paths, incorporating electronic handling logic for the materials on the carriers. Bertin is at BP3, 78 Plaisir, France.

## COMMUNICATIONS

### Powerful radiophone

A TRANSPORTABLE radiotelephone designed to give the communications power of a vehicle-borne radiotelephone but with the greater versatility of a portable set has been introduced by Ultra Electronics of Western Avenue, London, W3.

Forming part of the "Lion" range, it weighs 7½ lb, has an RF output of 5 watts VHF or UHF, and can be supplied with up to ten communication channels. Contained in a rugged leather carrying case complete with a nickel-cadmium rechargeable battery pack, the set measures 8½ x 7½ x 7½ inches and has an integral loudspeaker providing 3 watts high quality audio output.

A self-contained battery charger allows the set to operate while the battery pack is being recharged from the mains, and for use inside a vehicle the set can be connected to the vehicle aerial to give typical mobile radio performance.

Options available include a variety of selective calling facilities and provision for operation from a 12 volt vehicle battery.

A LOW-COST, compact, portable microfiche viewer—the 130—has been introduced by Data-graphix, of Deadwood Road, Windsor.

There are two models—for fiche of 25x and 42x reduction ratios—and the high resolution, non-glare acrylic screen is 9 x 11½ inches in a choice of blue or grey colour. Together with

the front surface mirrors it is housed in a moulded plastic shell measuring 18 x 18 x 16 inches.

The 1400, which weighs 17 lbs, has an extruded aluminium base to provide strength and stability and the projection lamp—of special design needing no cooling fan—and its supporting circuitry are located in a small drawer which slides out for parts replacement should this be necessary.

The machine handles a fiche size of 105mm by six inches and the fiche holder assembly consists of two glass plates mounted on ball bearing slides. The upper plate automatically opens when the holder is pulled toward the operator and closes automatically when pushed to the viewing position. The index grid is supplied separately to allow custom preparation of alphanumeric retrieval codes.

## MACHINE TOOLS

### Pact widens welding market

TWO companies, one German and one British, have reached an agreement to sell each other's products in their respective home markets.

Companies concerned are Delta Metal Electronics of Ruislip, Middlesex, and Nimak Schweissmaschinen of Cologne. Delta will sell the guns and equipment manufactured by the German company giving it an extended base that will, according to DME's managing director, eventually be expanded to include a comprehensive range of welding products for the U.K. market, including timers, guns and complete welding stations.

## MATERIALS

### Extreme pressure lubricant

SULPHIDES of arsenic and antimony are said to give a lubricating material able to withstand pressures of 100,000 psi, or three times the present limit.

The materials were developed by Pennwalt Corp., Pennwalt Building, Philadelphia, Pa., U.S., in co-operation with the U.S. Navy, for use in lubricating the pivots of swing-wing aircraft. The optimum lubricant contains both arsenic and antimony (AsSb<sub>2</sub>), and will permit reduction of the bearing surface from 20 per cent of the total pivot weight to 9 per cent. The present fluorocarbon bearing surfaces have a pressure limit of about 30,000 psi.

The materials are said to be compatible with most metals, to reduce bearing wear, and to be miscible with existing lubricants to give extreme-pressure qualities.

### Toughening the old gas mains

A METHOD of upgrading cast iron mains for the transmission of North Sea gas has been developed and tested by Winn

and Coates, Denso House, Chapel Road, London, SE27.

It has been estimated that of the 40m. pipe joints in 100,000 miles of gas distribution mains, a substantial proportion will require upgrading during conversion to natural gas.

Most of the pipes which form the system were laid before the last war and in some sections in use today are over 100 years old. Spigot and socket joints between cast iron pipes were usually sealed by caulking with hemp and running hot lead about the joints to complete the job. The passage of moist town gas through the pipes kept the hemp in a swollen condition and this generally ensured the gas-tight seal.

With the introduction of natural gas—which is dry and is distributed at twice the pressure of moist town gas—at an average district pressure in the distribution mains of 30 millibars (or 12 in. w.g.) instead of 15 millibars (or 6 in. w.g.), the need to upgrade the old pipe joints to cope with the new dry, high pressure gas, has become vital. Once the lead/hemp joint seal becomes dry, and allowing also for the increase in pressure, the possibility of a leak increases.

The Denso-Foam system is a method of sealing leaks based on the principle of *in situ* foaming of polyurethane. This firmly encapsulates a joint, previously sealed with Denso tape and is a fast and economical method of upgrading joints. Its advantages include cold application, ability to withstand damage during back filling, first class resistance to gas, and a resistance to gas pressure up to at least 25 p.s.i., eliminating the need for metal lead clamps on low pressure mains and thus saving a great deal of time and money.

## CONSTRUCTION

### Grooving to order

A prototype grooving machine, shown on the left, is being used

to texture an experimental 5,000-foot section of concrete carriageway under construction for the M20 Ditton Bypass in Kent. The machine, developed by the Cement and Concrete Association, is being manufactured and marketed under licence by Errut Products, Jubilee Close, Townsend Lane, London, N.W.9.

The machine forms part of the conventional concreting train, and produces a deep texture in the plastic concrete by means of a beam vibrating at varying frequency and amplitude moving transversely across the surface.

Deeply ridged texture produced by the machine is expected to have a high degree of skidding resistance, a considerably longer life than that of a wire-brushed texture under heavy traffic conditions, and, due to random spacing of the grooves, to avoid tyre noise of a definite frequency or pitch.

carriageway is being laid by a

SGME paving train. Following the agreement between Errut and C and CA, the Department of the Environment has joined with both Errut and the Association in the design and development of a machine for cutting grooves in existing concrete surfaces.

This latest machine is a further development of the flat cutting principle already employed on Errut equipment, and is designed to restore the skidding resistance of worn concrete economically and at a minimum daily output of 1,600 square yards. Because of the low cost of the system and the high performance of the machine, it is expected to be of considerable interest to councils, airport authorities, and others responsible for pavement maintenance.

By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.

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### Combined Statement of Condition

30th June 1971

ASSETS	
Cash and Due from Banks	\$1,328,627,500
United States Government Securities	267,072,800
State and Municipal Securities	406,495,900
Other Securities	114,118,700
Trading Account Securities (lower cost of market value)	74,595,700
Loans	2,849,373,800
Federal Funds Sold	53,941,000
Customers Liability for Acceptances	71,281,300
Banking Premises and Equipment	94,212,800
Other Assets	100,274,800
<b>TOTAL ASSETS</b>	<b>\$4,759,994,300</b>
LIABILITIES	
Demand Deposits	\$1,813,199,900
Savings Deposits	222,345,100
Time Deposits	406,495,900
Overseas Office Deposits	937,234,000
Funds Borrowed	42,948,200
Federal Funds Purchased and Securities sold under Agreement to Repurchase	350,949,100
Acceptances Secured	72,447,000
Accrued and Deferred Income Taxation	17,864,300
Unearned Income	15,177,000
Accrued Expenses and Dividends Payable	9,314,000
Other Liabilities	41,902,500
Reserve for possible Loan Losses	55,530,100
<b>TOTAL LIABILITIES</b>	<b>\$4,759,994,300</b>
CAPITAL ACCOUNTS	
Common Stock	\$75,000,000
Surplus	175,000,000
Undivided Profits	99,412,500
Reserve for Contingencies	25,674,100
<b>TOTAL CAPITAL ACCOUNTS</b>	<b>\$75,086,600</b>
<b>TOTAL LIABILITIES</b>	<b>\$4,759,994,300</b>

This is a Combined Statement of Condition covering all offices, overseas branches, and wholly owned subsidiaries with all balances in their S equivalent.

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SPAIN Hermosilla 8-200, Madrid 7

JAPAN 11, 1-Chome Yurakucho Chiyoda-Ku, Tokyo

LEGATION Arab Bank Building, Suite 501, Beirut

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12 Cadogan Place, SW1 (Tel: 01-222 8428)

## RESEARCH

### Studies of rope loads

ROPES subjected to sudden stress by rapidly applied loads may fail at breaking strengths considerably below those indicated by conventional static load tests. Loss in strength may be up to 25 per cent, under these conditions and is generally unaffected by the type of fibre used in the rope or its construction.

This and other data derived from research work at the National Engineering Laboratory into the physical properties of ropes exposed to dynamic loading has widespread implications for industrial users of ropes for lifting or restraining loads.

At present rope specifications for safety lines, lifting slings, mooring ropes and similar applications are invariably based on the static breaking strength of the material. The sudden snatching loading to which these ropes may be exposed in use could cause premature failure, according to the findings in an interim report on this study of rope behaviour.

Test facilities are available for industry at NEL East Kilbride, Glasgow, where the extension and breaking strength of ropes under dynamic loading can be determined after pre-conditioning at controlled temperature and humidity.

### Expanding microscope power

A PRINCIPLE which is essential in the use of one kind of electron microscope has been re-discovered to make another kind of electron microscope much more versatile.

If a surface is to be examined in what is called a transmission microscope a thin replica has to be made of its surface. Electron beams are passed through the replica to form the required image on the other side. Another type of instrument known as a scanning microscope can be brought to bear on an original surface and does not need to work on a replica.

But only objects of limited size be fitted into a scanning microscope. If a research worker is interested in a particular spot on a large body (a piece of bulky machinery for example) he has to remove a small specimen from the body and draw his inferences from that.

Now replication is being used to get over the problem. This new application of an established principle is being developed at Sira Institute under the sponsorship of a group of electron

## DATA PROCESSING

### Programming at home

A COMPLETE home-study course on computer programming has been developed by the Bureau of Information Science. This course consists of 15 books written in the form of programmed instruction texts, together with two text books for further reading. The course deals mainly with machine-code programming, computer arithmetic, Boolean algebra and the general design of computers; sub-routines and the use of special languages for computer programming—ALGOL AND COBOL.

There are 38 lessons in all, each with a follow up test, and lesson sheets giving extra notes and additional reading. A systems analysis course will follow.

BIS is at 37-39 London End, Beaconsfield, Bucks.

microscope users. With the help of a recently perfected technique Sira Institute is making true copies of surfaces for examination by scanning electron microscopy. So now it is possible to observe over long periods of time, changes at particular spots on surfaces inaccessible to the microscope. This facility will bring great advantages to the materials technologist.

Sira is at South Hill, Chislehurst, Kent, BR7 6EA.

### Cassette data tape system

THE FIRST PRODUCT to be announced by the recently formed Computer Electronics, of London Road, Kingston, Surrey, is the cassette communication terminal 4800.

Designed to receive and transmit data over standard communication networks at speeds up to 4,800 bauds, it is claimed to be the only system of its kind announced to date to meet fully the standard recording format of the European Computer Manufacturers Association.

Incorporating an Ampex TMC deck, the system can also be provided with a number of optional interfaces for minicomputers such as the Nova series, PDP series, and Honeywell 16 series, thereby enabling it to be "latched" straight into existing hardware.

Two versions of the system are available, one desk mounted, about the size of a portable typewriter incorporating one cassette transport, the other a 18-inch rack mounted cabinet that may be fitted with one or two transports. Both versions contain all the read-write logic for the recording and recovery of 800 bits per inch phase encoded formats which is far in excess of any company, of any earlier systems.

## PLASTICS

### Resins will resist fire

EARLY criticisms of glass reinforced plastic, especially in motor car applications, were based mainly on the fire risk if a vehicle were to be involved in a collision.

Although there seems to be little concrete evidence about the relative merits of steel or GRP bodyshells in such a situa-

tion, nevertheless one or two cases where plastics did in fact contribute to the seriousness of accidents has led to a demand for resins that will give fire-retardant properties.

In response to this demand, Scott-Bader, Wallington, Wokingham, Northants, has introduced two polyester resins for GRP lamination to cope with self-extinguishing requirements on finished products.

First of these products, Crystic 345PA, is a low-cost resin formulated for contact moulding applications. It uses an in-built accelerator, together with an inert filling, which together give it the properties to enable a laminate made with it to obtain a Class I spread of flame rating according to BS476: Part 1: 1955, Section 2. There is enough hold to make it suitable for use with chopped strand glass mat on vertical or inclined surfaces. Since the accelerator is added before dispatch, all that is needed is the addition of a catalyst to start the reaction.

On the other hand, Crystic 385 is a high-performance product, combining the advantages of fire resistance with high transparency. It is claimed that laminates with a light transmission of up to 80 per cent, can be made using it. According to the manufacturer it is light stabilised, is thixotropic, has excellent wetting properties, and has an elongation strength almost as good as the glass reinforcement that it is used with.

## E. AUSTIN & SONS

(LONDON) LIMITED

### Further increase in profit

Summary of Results	Year ended 31st March 1971	1970
Turnover	£1,500,000	£1,273,000
Profit before Tax	£124,767	£108,219
Available for Shareholders	£78,757	£56,949
Ordinary Dividend	15%	12½%
Dividend Cover	2.0	1.7
Capital Employed	£874,068	£815,081

Points from Mr. D. J. R. Austin's Statement

- \* I am very pleased to report that our Centenary Year ended with a further increase in the profit of the Group.
- \* The Materials Handling and Warehousing Division, including our "RENTATRIC" fork lift truck fleet, continued to be fully utilised during the year.
- \* The Textile Division is now entirely devoted to the production and marketing of cleaning materials for industry covering products in textiles, paper and our new non-woven "EASI-WIPES" which have been well received by the market. Exports have shown a further increase during the year.
- \* The Oil Division made a substantial contribution to Group profit and demands for our services are expanding.

E. AUSTIN & SONS (LONDON) LTD., STANSTED ABBOTS, WARE, HERTFORDSHIRE. OLD FORD, LONDON E3, OSSETT AND REDCAR (YORKS) AND GERRY (STIRLINGSHIRE).

## Macdonald Martin Distilleries Limited

makers of Glenmorangie Highland Malt and Highland Queen Scotch Whiskies

Mr. G. A. H. Rattray's Review

As I forecast last year, this has been a difficult year, not only for your company, but for the Scotch Whisky industry generally. While naturally the reduction in trading profit from £790,000 to £708,000 is disappointing, the net profit shows an increase of some £32,000, one mainly to a substantially reduced charge for taxation. There are two main reasons for the reduced charge, the crediting of an over-provision in the previous year, and the reduction in the rate of corporation tax.

An interim dividend of 6% on the ordinary shares was paid on December 22nd 1970 and your directors recommend a final dividend of 11½% making a total for the year of 17½% as compared with 16½% for the previous year. This leaves £176,806 to be added to the reserves of the group.

The principal items in the balance sheet show little change. As shown in the schedule of fixed assets, we have incurred some expenditure at the distilleries, where the main item has been

the changeover from coal to oil firing at Glenmorangie, to which I referred last year. This operation has now been successfully concluded and we plan to do the same at our Glen Gairn distillery at Elgin during the current year. This and the building of a new still house accounts for our capital commitments of £90,500. These changes will ensure a more efficient and economic unit.

Forecasting the future is particularly hazardous just now. Trading conditions at home and abroad are no easier. However, your company has considerable strength in its holding of abundant and carefully chosen whisky stocks, on which are based our three well known brands of Highland Queen, Martin's V.V.O. and Glenmorangie Highland Malt. We shall spare no effort to produce satisfactory results for the current year.

A copy of the annual report for the year to 31st March 1971 may be obtained from the Registrar, Whinney Murray & Co., 175 West George Street, Glasgow C2.

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# BIRMINGHAM

FINANCIAL TIMES SURVEY

## A thousand trades, but not enough

By JOE RENNISON

If Britain's second city needed a theme song it could well choose the Hippopotamus Song: Mud, mud, glorious mud. Nothing quite like it for cooling the blood.

Birmingham has been wallowing in prosperity for a generation: at least until now. The mud is beginning to thin just a little at the moment and the subsequent rise in temperature is causing a great bowl of protest. In a city where it is the size of the dividend that counts any possible prospect of a diminution in income is viewed with grave concern. At least there will be no complaints now that the real mud of reconstruction is also beginning to disappear.

Birmingham's *raison d'être* is the making of money. The city's population and prosperity have been built on waves of immigrants who have been attracted there to do just that. And they have not been disappointed. The city has been, and is now, very prosperous but it is beginning to have serious doubts about its long-term future prosperity. The "city of a thousand trades" feels hamstrung: the thousand trades are no longer enough. It is not just the unemployment produced by the present national mini-recession that worries Birmingham but its competitive position relative to the rest of the country.

A note of warning for the whole of the West Midlands region was sounded earlier this year in a report by a working party of the

West Midlands Economic Planning Council. The report pointed out that the West Midlands share of new technology growth industries such as chemicals, instruments, radio and electronic appliances is, with the exception of plastics, only 0.5 per cent. and urges policy changes

that would encourage new industry as an insurance against technological obsolescence. Introducing the report Mr. Andrew Cadbury, chairman of the working party, said that unless action was taken there would be a progressive deterioration in the competitive

position of West Midlands industry.

Birmingham, as capital of the region, feels this threat particularly. The Government's Industrial Development Certificate policy designed to encourage industry to move from the region to development areas is coming under increasingly strong criticism in the city. The Chamber of Commerce, representing Birmingham's industry, is particularly incensed at this threat of stagnation. A recent survey conducted by the Chamber showed that a surprisingly high number of firms who wanted to expand were playing possum in case the application for an IDC brought them to the Government's attention and the inevitable suggestion that they should build their extra capacity in one of the development areas.

### Problem centre

Mr. Raymond King, the Chamber's President, does not mince his words in pleading for Birmingham's future. "The companies who were the backbone of our prosperity have found themselves pushed out. This has not been for them a success financially. Unless the distribution of industry is braked a little Birmingham will become a problem centre in keeping people employed. Forget the image of Birmingham. We are a large industrial city and we have to live. If you destroy Birmingham you destroy the country. If Birmingham does

not expand then the development areas do not expand."

Metals, vehicles, foundry-work, mechanical and electrical engineering are the bread and butter of this city. Birmingham could probably make better use of any individual piece of metal and in a greater variety of ways than any other city in the world, but although metals technology is advancing there are now more ways of making a plate than bashing a piece of copper or tin or steel. But Birmingham is being denied the chance to experiment. This is a problem only central Government can solve. It will, of course, be very difficult, not to say impossible, for the people in the development areas of Scotland, the North and Wales to feel sorry for Brummagem men weeping all the way to the bank. But to argue that there are a lot of people a lot worse off is to miss the whole point. To coin a phrase, what is good for Birmingham is good for Britain. If Birmingham (and London) is feeling the squeeze then the development areas must be in a pretty parlous state.

It is like the argument of a healthy export market depending on a healthy home demand. If the development areas can for this purpose be looked upon as the export market then they will not prosper unless the established prosperous manufacturing centres such as Birmingham can experiment, expand and sell the goods they want to make where they will.

Birmingham's industry is not matching its otherwise expansionist mood. The city has been preparing itself for a great future. Physically at least it has been pulling itself into shape as a regional capital and a European city of some importance. Probably no city in Britain has seen such a radical change in the face it presents

to the world. All over the city—and it is particularly noticeable in the centre—the new has overtaken the old. The centre has virtually been a heart transplant. New shops, offices and roads have transformed Birmingham into a model of twentieth-century living. And it has been built with the city's pride and joy, the motor car, very much in mind.

The new inner ring road, a 34-mile dual carriageway encircling the shopping and business areas, is a monument to the internal combustion engine. Birmingham is not a very convenient or pleasant place for the pedestrian but when there is the facility of modern roads in and around the city presumably no one minds. (The recent suggestion that the inner ring road could be used as a racing circuit seems to me superfluous—to the outsider it seems as though it already is.)

### Eccentric charm

On the housing, social, cultural and environmental fronts the city has "leapt" ahead. All it needs now is a soul. Among the bland exteriors of the glass-and-concrete palaces of commerce such old buildings as the Town Hall, the Cathedral and the art gallery take on an eccentric charm that was surely not there before.

The city has everything in its favour. It is still one of the best places in England to set up business—if one is allowed to. With the completion of the motorway system it is literally at the crossroads of Britain. Its

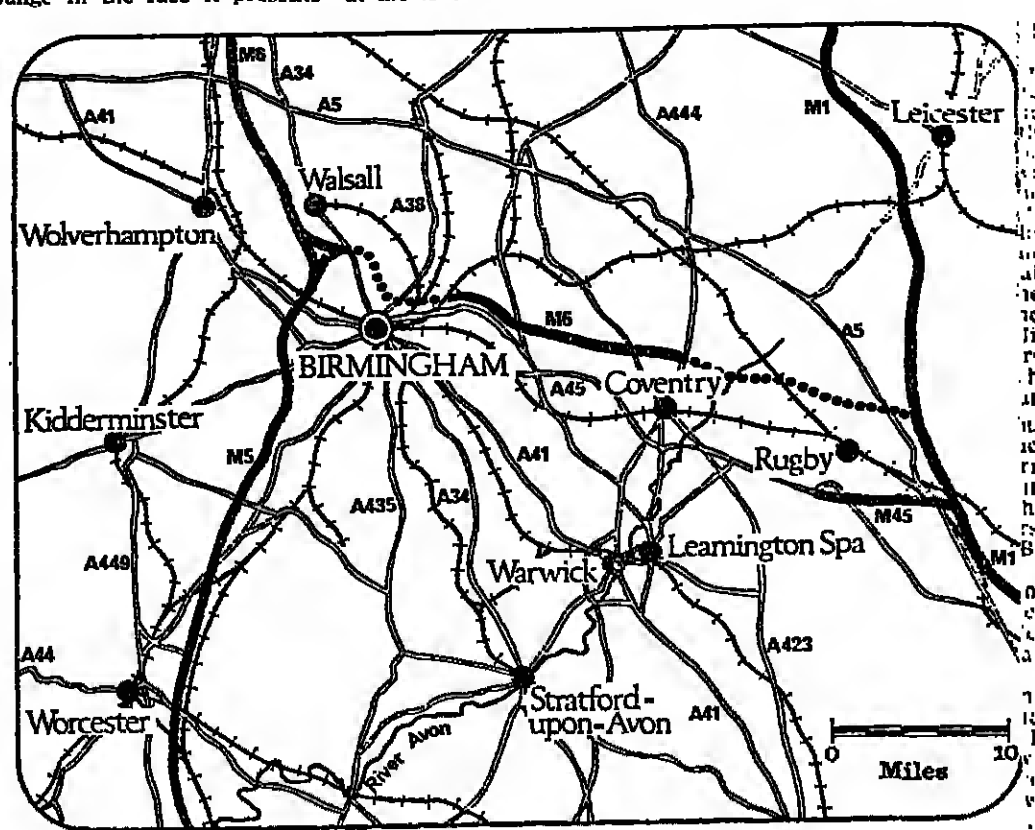
rail, air and freight facilities are equally impressive. In arts and entertainment fields, it is gaining a new sophisticated role as a regional capital. It is fit and ready to expand. Very real mud that the generation has been wallowing in is gradually disappearing. The new city is almost ready for its inhabitants.

To cap it all—and to give greater prominence internationally—Birmingham is now planning to make itself a show place for the world's poor. There is a need for a national showplace and Birmingham, making its bid to house it. Ten inquiry into the proposal end a month ago. If the application is successful it will be one more reason for the city to spruce itself up in terms of entertainment and hotel and recreational facilities. It may also provide some of the prizes that are necessary to give Birmingham and its people a more identifiable national and international stamp.

Birmingham's present situation was put to me by one local businessman in this way: "Things are just coming right now—the houses, the roads, the offices, the new cinemas and theatres. It has been a long time, but now we can sit back and enjoy the place." The city is a brave, not to be blameworthy, demonstration of the city's past prosperity. The generation will benefit from the physical improvement suffered by the last. It will be a pity if it could not equally confident of material prosperity.



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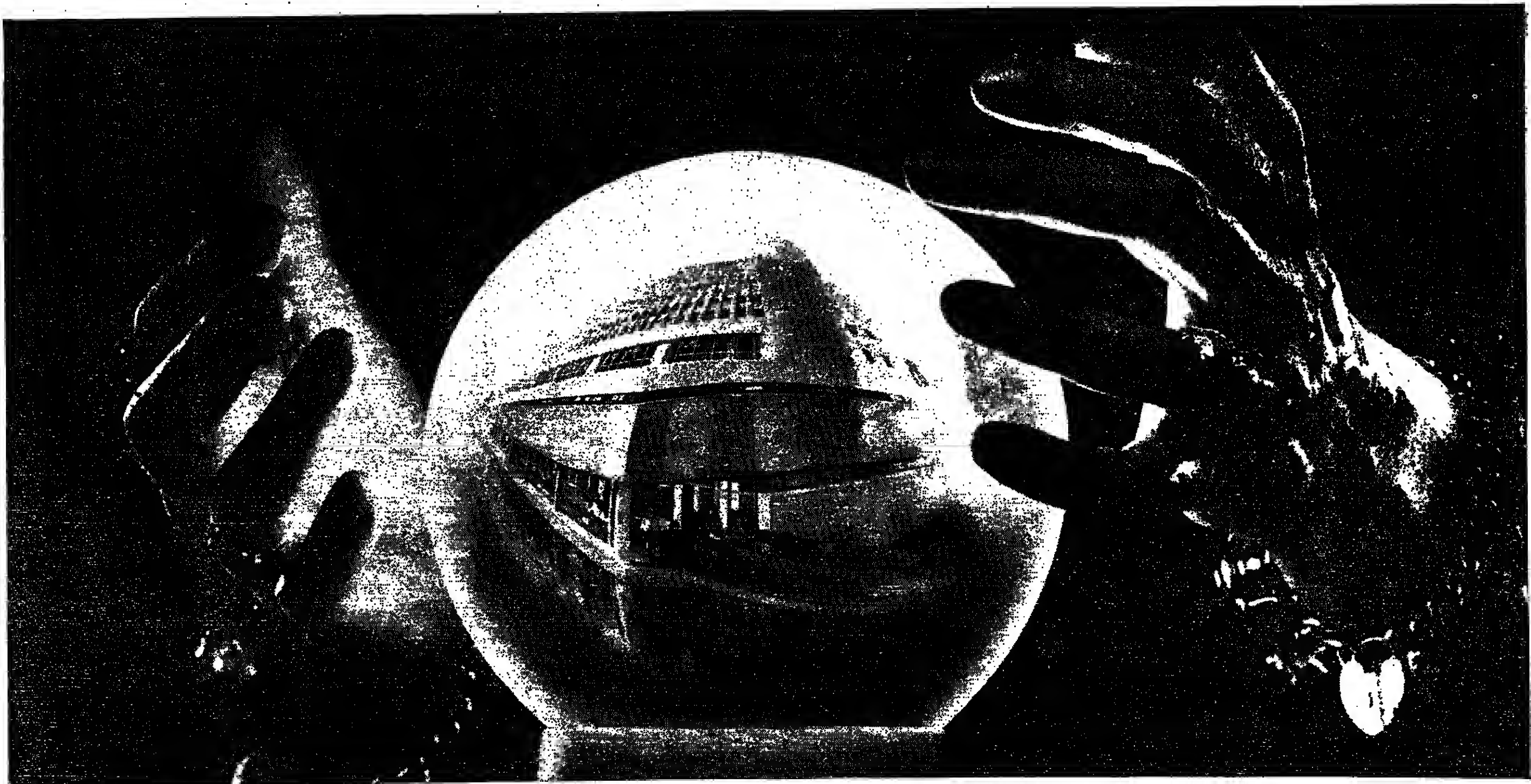
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## BIRMINGHAM II

# Changes in the arts scene

By ANTHONY EVERITT

Birmingham has long been the home of the respectable virtues. A pioneer of industry and local government in the nineteenth century, it did not entirely forget culture. But the city fathers tended to regard it as a worthy civic obligation, which contributed to the education and moral improvement of the lower orders.

The legislation which brought the Birmingham and Midland Institute into being in 1854 stated that its object was to promote the "Diffusion and Advancement of Science, Literature and Art among all classes of persons resident in Birmingham and the Midland counties." The City Art Gallery opened in 1867 as an extension to the Free Public Library and was eventually housed in an incongruous hut grandiosely designed temple of art.

The summer exhibitions of the Royal Birmingham Society of Artists represented the established standards of taste and in its heyday was second only to the Royal Academy. Lord Leighton and Alma-Tadema were among its presidents. Long queues formed on opening day such as are now only seen outside department stores at the beginning of a sale.

Nowadays, these institutions have a slightly old-fashioned air and they have found it difficult to come to terms with the demands of this century. The Birmingham and Midland Institute is currently attempting to rationalise its finances and curb the expenses of a large cultural activities programme.

Ramstrung by an old and inadequate building, and a tiny purchase grant, the Art Gallery is just emerging from a crisis that made national headlines. Works of art were found to be deteriorating at such a rate that a leading restorer wrote: "I could not advise a private collector to loan his pictures to you. They would be in danger." As the gallery possesses one of the most distinguished collections of pre-Raphaelite paintings in the world, and is also strong in 18th-century English and 17th-century baroque art, this was a serious matter.

### New equipment

However, a conservation department has now been founded, humidifying equipment installed and five out of the 16 galleries have been closed for redecoration and reconstruction. All's well that ends well.

The City of Birmingham Symphony Orchestra is another familiar feature of the cultural scene that has been in the doldrums. It is largely reliant on subsidies from local government sources, which do not always keep pace with escalating costs.

The Town Hall is the city's only venue for concerts and acoustically is far from perfect. A new concert hall has been promised from time to time since 1924, but nothing definite has yet transpired.

In other ways, though, things are looking up. Louis Fremaux, the conductor in chief, is completing his second season, attendances are rising, gramophone records have been published and the orchestra is establishing a strong claim to being one of the best outside London, rivaling the Royal Liverpool Philharmonic and perhaps outstripping the Hallé.

In the last ten years a new generation of institutions has to some extent taken over the running from the old. They have profited from the building bonanza that has transformed Birmingham from a Victorian Coketown into a plate-glass showpiece.

The Midlands Arts Centre was established in 1961 "to encourage young people to enjoy and practise the arts and crafts." Studio workshops, exhibition areas, a small theatre, music rooms and an open-air arena have all been completed. Building work in hand includes an athletics wing and a major auditorium for theatre, ballet and opera. It is one of the most ambitious projects of its kind in Europe.

In many ways the venture has been a great success and it has proved that fund-raising need not be an insurmountable obstacle: £500,000 has been collected from private sources alone.

However, it has been argued that too little effort is made to encourage working class children from Birmingham's twilight zones to play a full part in the life of the centre and that those who are least in need of its services, profit most from them.

Since it opened last autumn, the Poetry Centre has been an important influence on literature in the Midlands. Members give poetry readings in pubs, hospitals and schools. The Centre's quarterly magazine, *Muse*, has attracted nationwide attention.

Jazz, pop and rock can be heard in the clubs and frequent concerts are mounted. The Ian Campbell Folk Group is centred in Birmingham and Campbell plans to launch the National Folk Company of Great Britain, in an attempt to give folk music the same status as it possesses in other European countries.

A few long-established organisations are moving to new premises and in the process giving their reputations a face-lift. The old Repertory Theatre, founded by Barry Jackson, has closed its doors for the last time. The company will reopen in the autumn in a magnificent new theatre.

Perhaps the move will help the "Rep" to regain some of the prestige it has lost to the Nottingham Playhouse and to build up its audience strength again. This would certainly be well deserved, for under the direction of Peter Dews, the standard of productions has been remarkably high and a number of plays have been transferred to London and America, notably *Hadrian VII*.

In 1965, the morning and evening newspapers, the Birmingham Post and the Evening Mail moved into new premises, which have become one of the architectural landmarks of the city. Both newspapers rank in their different ways, in the forefront of provincial journalism.

ATV now serves the Midlands from its recently constructed studio complex in the city centre. The building was also to have housed a theatre and a cinema but these plans have been abandoned, because it has not been possible to find any tenants. It will, however, include shopping precincts, offices, a restaurant and a pub.

As far as television production is concerned, the increased facilities have allowed greater scope for regional programmes, including religious and educational broadcasting has been expanded.

The BBC, previously scattered in various parts of Birmingham, is now accommodated in a single custom-built radio and television centre. For the first time, all the different departments are under one roof. Radio Birmingham has been on the air for the past few months and there is to be a greatly increased emphasis on television drama.

The intention is not simply to produce plays farmed out from London. "Locally originated material should provide an outlet and an opportunity for non-metropolitan talent," David Rose, head of English Regional Drama, Television told me. "An important part of my function is to discover and nourish this talent."

In the last two years, social and artistic undercurrents opposed to or critical of the establishment, have come into existence. The Birmingham Arts Laboratory was formed in 1968 by a few breakaway members of the Midlands Arts Centre. Beginning as a pale imitation of the London "pop" underground, it has gradually acquired a character of its own.

### Free University

Meanwhile, the Free University has been quietly providing a substitute for higher education. The teacher/student relationship has been abolished and the curriculum is not defined in advance, but emerges from discussion among those taking part. Courses range from ecology to black culture.

The university has proved to be the starting point for various movements which have, in the course of time, become independent bodies in their own right, one example being the Birmingham Women's Liberation Front.

All the signs go to show that the old order is changing. The ground is shifting beneath the traditional arts. However, these are early days, and a crack in the plaster is not necessarily a sign of imminent collapse of the main structure.

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## Development pace-setter

By a Correspondent

The newest city centre in Britain, a rehousing drive more akin to a municipal blitzkrieg, and the sheer immensity of the post-war redevelopment—Birmingham's muscular expansion is probably without parallel anywhere in Europe.

Looking at a night-time city skyline that would be equally at home in Los Angeles, Brummies may concede that other cities will eventually catch up, but in their hearts they rather doubt it.

The centre had been inadequate for many years when war broke out—the idea of an Inner Ring Road had first been mooted in 1918—but some premature demolition work by the Luftwaffe gave the plans an added impetus: Councillor

Harold Edwards, chairman of the public works committee, puts the start of the redevelopment at the time the first German bombs fell.

Now the end is in sight: with the £32.5m., 3½ mile Inner Ring Road open the last big project is the cultural complex at Paradise Circus, where work is already in progress. But now a further scheme is being considered: a Middle Ring Road that will replace the old Inner Circle.

The £8m. Bull Ring Centre, opened in 1964, forms a vortex for the central redevelopment, around which the Inner Ring runs. The road itself—the largest single city centre development, it involved the acquisition of over 1,500 property interests and the redevelopment of 80 acres—provides a through route for the A33, as well as a perimeter for the inner heart of the city.

The city has set up a committee, to see if part of the road can be used as a "Grand Prix" motor racing circuit: the scheme's main champion is Mr. Martin Hone, managing director of a local night club, and he is confident of attracting top-name drivers for the race which, if all goes according to plan, could take place in two years time, bringing tourists to the city in droves.

Inside the inner area the rebuilding has not affected the tradition of small areas geared to a specific activity—the new Bank of England building is still in Temple Row, close to the financial heart of the city. The Bull Ring carries on the trading and marketing tradition of its open-air predecessor, and the new library in Paradise Circus will be close to the museum and art gallery, and just a few yards from the new Repertory Theatre in Broad Street.

### Edgbaston change

Development of an equally rapid, if less spectacular sort, is still going on in Edgbaston, a suburb about a mile west of the city centre. For years the home of the Birmingham "establishment," the area contains the University, the Queen Elizabeth hospital, and the older schools. It has also provided a home in its quiet tree-lined streets for the smaller commercial businesses whose image is somewhat removed from the image of the entrepreneurial industries that form the city's backbone.

But in recent years leases on many of the large old houses in the Calthorpe Estate, which forms a large part of the suburb, began to expire, opening the way for the development of the area as a commercial centre for prestige office and hotel development.

On the Hagley Road, the main road leading west out of the city, a ribbon of expensive account hotels and prestige office blocks is making the district the

fastest-growing commercial centre in the city, and nearby Harborne Road, close to the city centre, is an appropriate home for the Chamber of Commerce and Industry.

On the far side of the city, just outside the boundary, the Chelmsley Wood overspill development—Europe's largest post-war housing development—is nearly finished. Ultimately housing 60,000 people, the development marks the intensity of the rehousing drive by the council in the 'sixties. According to Alderman Mrs. Freda Cocks, chairman of the housing committee, the last slum should be knocked down in 1974-75.

### Community life

The emphasis in the recent stages of the rehousing drive has swung away from building new council houses and towards refurbishing old but sound houses. The city's annual housing budget runs at about £48m. a year, and the corporation has pioneered a scheme of rent rebates for private tenants. The emphasis on refurbishing the old houses has helped preserve community life in the inner areas and avert the threat of tower block ghettos.

Chelmsley Wood could find itself in the heart of a boom

area in the next few years, if the plan for Birmingham's National Exhibition Centre gets the Government go-ahead. Just beyond the eastern boundary of the city and adjoining the airport, the centre could place Birmingham on the map as the bonaport for international industrialists by providing a shop-window for British industry. But the threat feared by local opponents to the plan is that it will open the floodgate for developments in the proposed Green Belt land by the airport, and turn the narrow stretch of greenery between Birmingham and Coventry into the same sort of dismal no-man's land that separates Birmingham from Wolverhampton and the Black Country.

But in Birmingham's plans to ease the problem of housing and space by seeking homes for its people in overspill areas more far-flung than Chelmsley Wood, the success rate has been much less marked. The city has agreements with Aldridge, Brownhills, Cannock, Daventry, Dawley, Droitwich, Lichfield, Rugeley, Stafford, Tamworth, Tutbury, Uxeter, Banbury, Malmesbury, Weston-super-Mare, Redditch and Telford, but so far the number of people willing to move out of the city is smaller than expected.

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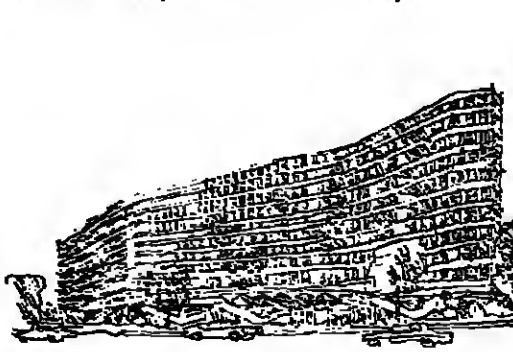
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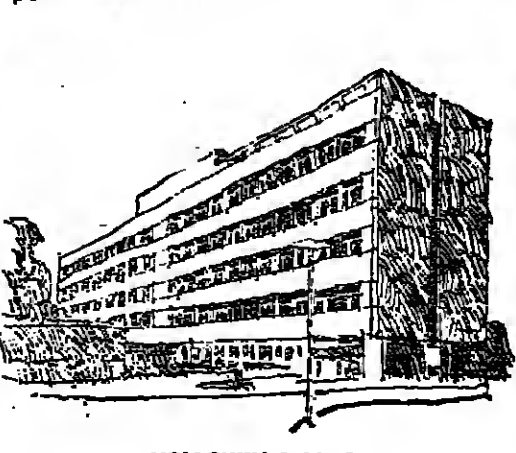
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BIRMINGHAM III

# Metals and medals, copper and coins

By PETER CARTWRIGHT, Birmingham Correspondent

"Made in Birmingham" used to be an imprint on goods found in every quarter of the globe—native cooking pots, instantly recognisable, it is said, by missionaries, brassware in the sheikdoms of the Middle East, silver tableware in America, gold ornaments in Europe. Practically everything made of metal is, or used to be, made in the city.

A city of a thousand trades is its identification tag, though this seems to be in need of some revision. The city Information Department will tell you it should be fifteen hundred trades though it is not too certain how this number is arrived at. However, it doesn't seem due to an excess of publicity zeal.

The heavy and continuing dependence on metal has been noted as a disturbing feature by the economic planners. In a recently published appraisal of the West Midlands the regional Economic Planning Council pointed out that its share of the newer science-based industries like chemicals, pharmaceuticals, scientific instruments and electronic equipment was less than half of 1 per cent, except in the case of plastic moulding (0.9 per cent.), and there is no reason to suppose that the tally for Birmingham is much different.

**Gun-making**

So long as you don't want a computer, your wife doesn't use lipstick and you don't like colour television, Birmingham can cater for most normal lives from this cradle to the grave, from safety pins to coffin handles and much else in between, from engagement rings to beds and, according to status and hobbies, golf balls to ships' berths. As a law abiding city it makes most of the handcuffs in use, and if you really want to prove its versatility it will provide horse drinking troughs for the Swiss Army or intricate components for the Concorde.

One of its traditional industries is gun-making, though the visitor would be hard put to find many of its exponents left. Ironically, the processes of production have gone full cycle. Credited, during a period of sustained heavy demand during its early days with having introduced the machine shop, automatic processes have now largely overtaken this craft industry.

Traditionally it comprised outworkers who specialised in making particular components for assembly by the gunsmith, but there are now very few craftsmen left and the number of handmade guns, which cost around £1,000, made in Birmingham is now small. Technical progress and re-development of the central area in which the trade was situated have combined to disperse survivors, some of whom have entered other fields of engineering. Over the past decade the output of shotguns has declined steadily, and the industry now largely makes sporting guns, which find ready markets in America and Canada, revolvers and air rifles.

Jewellery is another, an even more prestigious industry which this year has been enjoying a comparative boom, despite the purchase tax, reduced in Mr. Barber's mini-budget last week from 55 to 45 per cent, although the ring trade complains of slack conditions. The number of articles submitted for hall marking at Birmingham Assay Office has been greater every month this year than last, and if value added tax reduces the existing tax level the industry's prospects seem good.

Before the war, when Birmingham MPs like Leo Amery and Neville Chamberlain were in high Government office, the annual banquet of the British Jewellers' Association was the most glittering occasion of the social calendar and was occasionally made the platform for important statements of Government policy. That kind of glamour has now departed and the industry takes a more workaday place in the industrial community. Some of the mystique of the "jewellery quarter" is also disappearing as the bulldozers approach the rabbit-warren of tiny offices and work benches.

The first phase of this change will be seen next month when a seven-floor slatted factory block is formally opened. The ground floor will house a police station, post office and public house, and above will be 84,000 square feet of space that can be divided according to tenants' requirements. This £600,000 development was originally going to be carried out by the Corporation, but has now been handed over to a developer working in collaboration with the Corporation and the Department of Industry and Trade.

**Higher figure**

About a quarter of the space has been let, at about 10s a square foot compared with a much higher figure envisaged in the Corporation project. However, many jewellers are loath to leave their existing premises until they have to, and some of the space is being allocated to approved tenants outside the industry.

No doubt some of them will come from associated trades, like those making silver and silver plated tableware, sports trophies, fashion jewellery (as distinct from fine jewellery), badges and medallions. All of them, to a greater or lesser degree, depend on skilled craftsmen whose training takes so long that comparatively few school leavers are prepared to commit themselves, preferring work that pays bigger money more quickly, as in the motor industry.

To survive, let alone expand, when faced with this kind of inertia and problems created by changing fiscal policies requires the introduction of new automatic or semi-automatic processes some of which, developed in the jewellery trade here, are extremely ingenious and indeed, in one case, the details of which are still being closely guarded.

Those catering for the growing souvenir trade are doing relatively better. Some of the biggest units in the country are housed in the city, making a great variety of metal, vitreous

from Winslow Green prison, in 1961.

**Private mints**

Up to just after World War I, it minted coins of the realm, but this function is now carried out only by the Royal Mint. Birmingham has another mint, IMI Kynoch Mint, at Witton, founded elsewhere in the City just before the first World War. These are two of the very few private mints in the world.

Both are about of equal capacity, and both make blanks for the Royal Mint, a recent big contribution having been in connection with decimalisation. Both also either provide blanks in a wide variety of copper-based alloys, or strike coins for many overseas countries from Algeria to Zambia.

Copper is, indeed, the foundation of a whole range of non-ferrous engineering activities, some units of which are among the biggest and most progressive in Europe, and some are small family concerns whose trade marks are still the best sales ambassadors they have in many parts of the world. Because of the recent fluctuating prices of copper most of them have had varying fortunes, but among the most consistently buoyant have been those making decorative and ornamental brassware, such as lamp holders and wall plaques for the home and souvenirs for the tourist trade of many countries.

Birmingham's inherited skills in fabricating copper and in metal working generally, made it a natural choice for the development of aluminium and its alloys. The industry, now broadly spread over the country, had its origins in the city before the first World War. In 1810 Vickers was interested in

airships and acquired manufacturing rights for Duralumin, an alloy developed two years before in Germany. Vickers employed Horace Clarke, a brilliant young metallurgist, to carry out investigations in Birmingham and he eventually found the necessary rolling mills, extrusion plant and furnaces at James Booth, then in Aston, and brought the project to fruition. But aluminium was not used in airships or, for that matter, in first world war aeroplanes, although the concept of light metal planes to replace those of wood and canvas was very much in the minds of advanced thinkers.

However, the post first world war period failed to bring the expected demand for aluminium and it was not until the mid-1930s that expansion really got under way under the stimulus of re-armament to meet the Hitler threat. One of the first planes to use aluminium extensively was the Wellington bomber. Developments continued apace, with substantial investment in rolling mills, foundries, extrusion and other plants both by local manufacturers like James Booth (now Alcan-Booth), Birmid Qualeast and Tube Investments, and by raw materials suppliers like Aluminium Company of Canada.

The motor industry was quick to make use of the advantages of lightweight and corrosion-resistant components that aluminium offered, such as pistons, door panels and, more recently, cylinder blocks. New uses, such as bottle closures and architectural decorations, were steadily found, with the result that Birmingham became and has remained one of the chief fabrication centres in the country.

reaction of phenol and formaldehyde. This was the fore-runner of Bakelite (which amalgamated with British Xylonite in 1963 to form Bakelite-Xylonite), which developed moulding materials for making plastic screw driver handles, camera housings, radio cabinets, telephone sets and many other products. These developments created a much broader base for the fledgling industry and were followed by phenolic materials for the manufacture of components, and new moulding materials for industrial and decorative laminates.

**Not followed up**

This brave essay of plastics in a world dominated by metal working and metal using interests was hardly followed up and the city is much under-represented in this field, although it contains a number of concerns making plastic products and manufacturing extrusion and other equipment. This is only partly because convinced metallurgists—and there are many in this city—will tell you that ultimately new metal alloys will regain ground lost to plastics in many engineering applications. The newer plastic materials have been emanating from the big chemical plants sited in other parts of the country and moreover the government policy of assisting Wales, Scotland, the North East and other development areas by channelling new projects to them and denying space in the Midlands conurbation through Industrial Development Certificate policy, even to expansion of traditional industry, has made the establishment of science-based industries in the area an impossibility. The Midlands share of electronic equipment, pharmaceuticals, scientific instruments and the like is under one half of one per cent, and only in the case of plastic mouldings does it approach 1 per cent, actually 0.9 per cent.

Birmingham has fared much better in another relatively new process, powdered metal manufacture. The concept of making components from compressed metal powders which are later sintered, or heat treated to make them coalesce, is at least half a century old. But in this country it got its big boost during the Second World War. In 1943 the BSA group, controlling a number of vital armament factories, set up a project that within a comparatively short time was yielding large numbers of rifle sights and triggers. These are fairly intricate components not easy to machine and the great advantage with powdered metal components is that they can be compressed into very nearly the final shape, generally requiring no more than light machining. The raw material for the sintering process is finely

divided iron powder to which alloying powders of copper, nickel and molybdenum, for instance, can be added to attain the desired properties. After thorough mixing the powder, are compressed under high pressure into the desired shape rather like an aspirin tablet. Powder metallurgy components are now being made by the million—British Leyland cars made in Birmingham carry about 10 lbs of them—and if Midlands area contributes probably the largest proportion, with BSA alone accounting for about a third of the market in producing nearly 100m. components a year.

The city was also a centre for the production of nickel, a vital ingredient in aircraft engines until Henry Wiggin's part of International Nickel transferred production to Herford. But in even new aerospace materials, titanium, it has the on remaining centre of production in this country—and the largest in Europe—at IMI, Witton.

Although the series of price reductions of titanium for alternative alloys for more general engineering applications, 60 per cent. of output—or was until the collapse of Rolls-Royce—committed to aerospace projects. Besides gear, its capacity to the needs of biggest customer, Rolls-Royce, IMI has also delivered 3d for use in the two Concorde.

In 1966 it commissioned a first sodium-potassium vacuum furnace (liquid metal cooling because of elevated melting temperatures around 1,200 C) by the end of 1970 had three streams. This continuing expansion is costing around £7m a year and has so far raised capacity to about 5,000 tons annually.

## A starting point for bright ideas

By PETER CARTWRIGHT

Far from believing the world owes it a living, Birmingham has helped to provide it with a number through a rare combination of inventiveness and entrepreneurial skills based on iron developments just to the west. And if it failed to invent a new metallurgical or other process quickly acquired the knowledge or manufacturing rights of many of those that seemed to have the widest advantages.

It sponsored, if not fathered, the growth of the modern aluminium alloy industry in this country, and was also one of the first areas to branch into plastics. Though generally regarded as a relatively new phenomenon because expansion has been greatest in recent years with the introduction of new materials, its history in Birmingham goes back to July 1907, almost as far back as the industry itself can go.

In that year a patent was taken out, and a second in October 1908, and two years later James Swinburne established the Darnall Lacquer company at Tyseley for the fashionable purpose of coating brass bedsteads, but with a difference. The lacquer was a plastic type produced by the

**Severe blow**

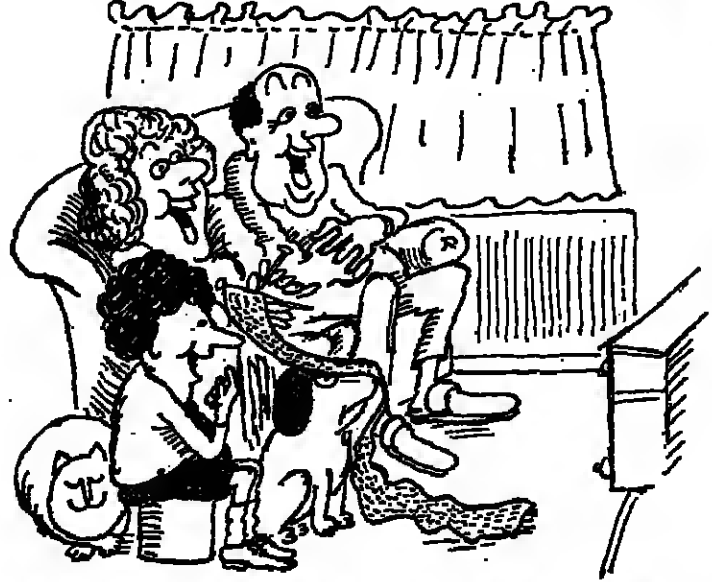
Although cancellation of RB211 engine would be a severe blow, demand elsewhere has been strengthening to the extent that non-aircraft business had to be turned away. If it is cancelled it is considered that business lost could be made in other directions with a year or eighteen months. Some of it would be from overseas—ports are currently running 35 per cent. of production—from newly developed outlets such as in costume jewellery, a process of optical interference all the colours of the spectrum can be applied to the material a way that they will not wear even scratch off.

While titanium is the known of the more exotic metals, IMI also makes others such as zirconium, widely used as foil in camera flash bulb, tantalum for nuclear energy applications and hafnium, used for nuclear power accelerators.

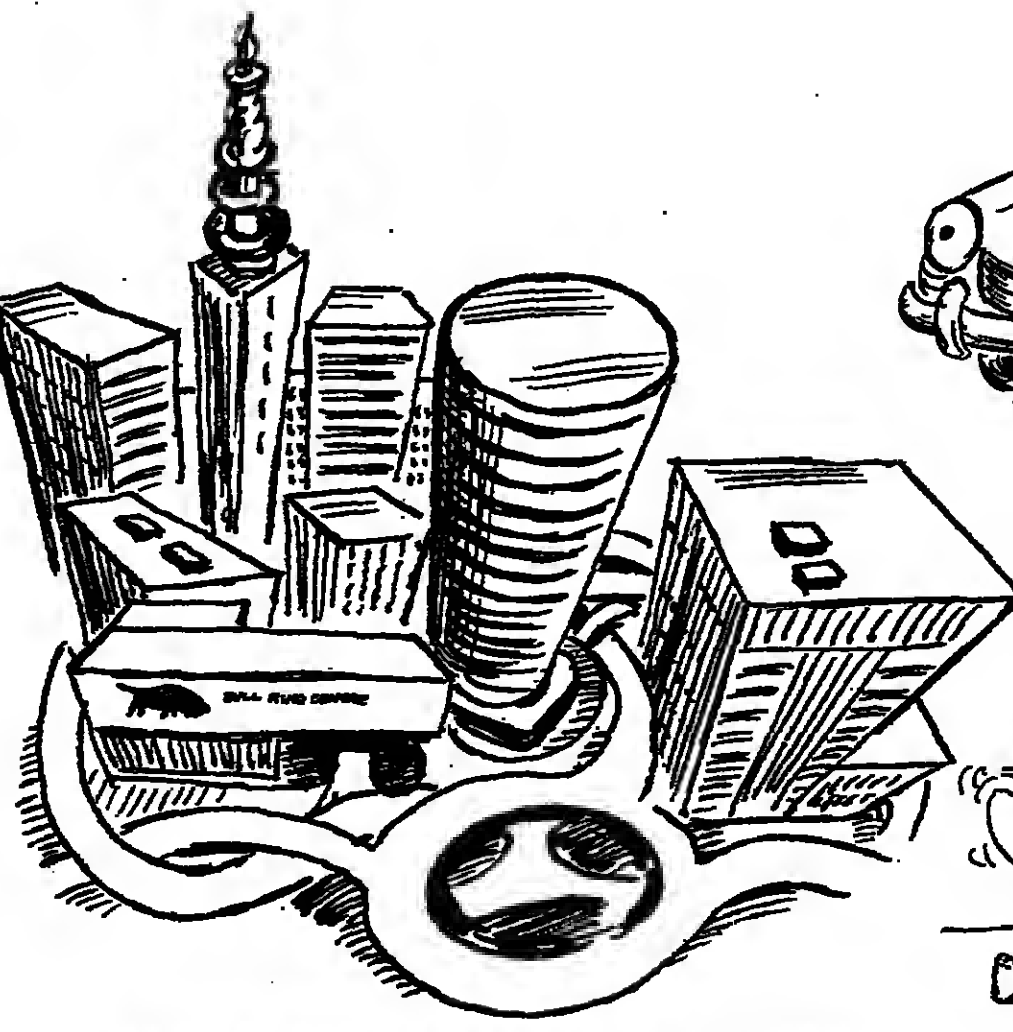
# What has gas done for Birmingham lately?



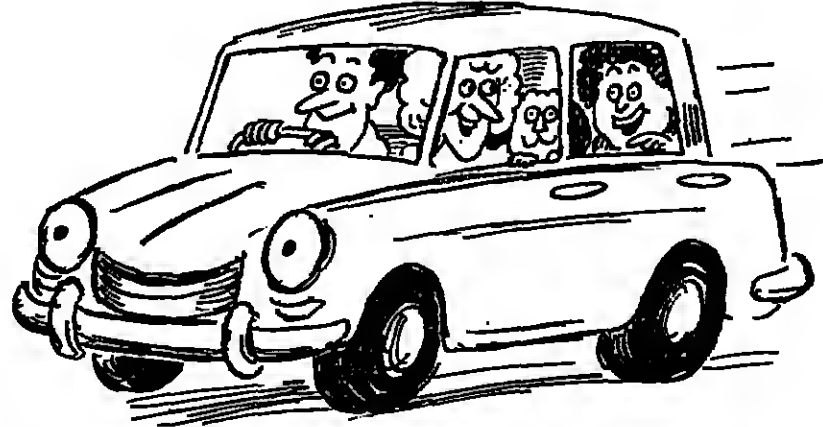
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## BIRMINGHAM IV

# Motorway links give easy access to markets

By J. R. T. DOUGLAS, Joint Managing Director, R.M. Douglas Construction Ltd.

Until about 1775 industry in Birmingham and the surrounding area was prevented from expanding production of coal and manufactured goods because of the limited distribution area which could be economically served by horse-drawn wheeled transport. The construction of the Midlands canal network, built mainly by private enterprise, changed the face of the region and set Birmingham firmly on its way to prosperous growth based on diversified industrial production with a large emphasis on sales outside the Midlands and overseas.

In the following 150 years the railway companies opened up their rapid method of transport for the Midlands and the canals fell into disuse because the total elapsed time from producers' factory to customers' premises was less by rail than by waterborne means.

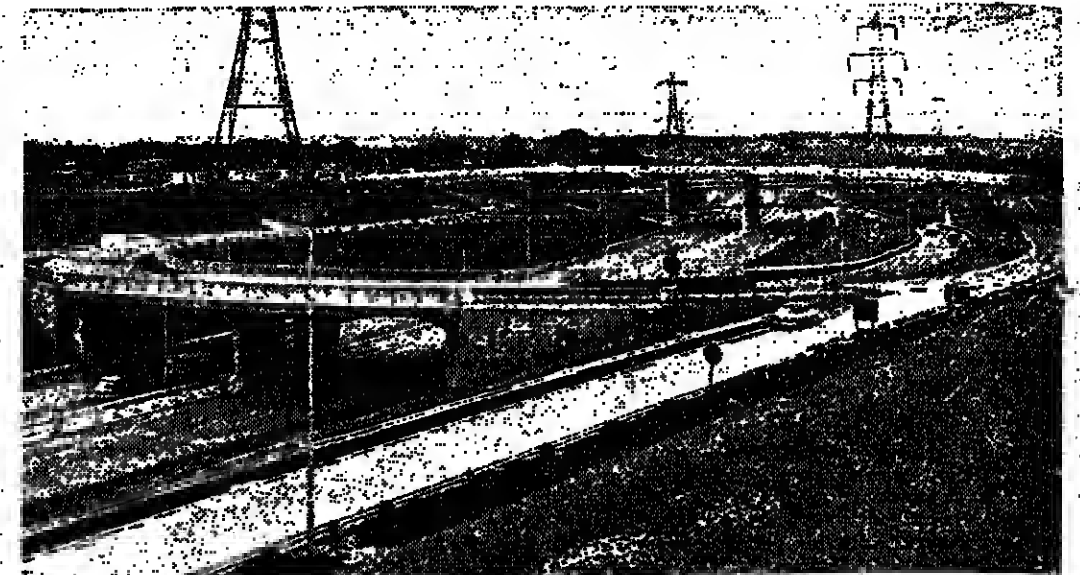
Now it is the railways' turn to struggle because road transport, with its greater flexibility, higher average speed over the total distance, and the advantage of factory to user delivery with less double handling has become more and more attractive to the manufacturers of the Midlands. This attraction has been vastly enhanced by the development of the British motorway network and once again Birmingham is at the hub of the most efficient internal transport system available to British producers and exporters.

It may not be wholly true that Britain's prosperity is made in Birmingham, but it is certainly true that Birmingham's prosperity has depended more on efficient inland transport than has the prosperity of other highly developed areas in Britain. This seems to have been recognised by those responsible for planning the national motorway network and Birmingham is now in an enviable position in that motorways already constructed or planned provide rapid and easy access to most of the major ports

through which exporting is carried on.

By the end of this year the Aston Expressway will link the already completed Inner Ring Road to the M5/M6/M1 Midlands links motorway which will also be complete. At this time the basic necessary system will be finished, but bottlenecks will still exist between Birmingham and Telford, Birmingham and Nottingham, Birmingham and Redditch and for traffic proceeding in an east-west direction, both north and south of the conurbation. However, when the M42, passing from Rugeley around the south-east of Birmingham past the National Exhibition Centre site and on to meet the M1 near Nottingham is built, there will be considerable relief for the crowded A553 through Tamworth and Ashby-de-la-Zouch.

### Planning stage



The M6-A34 intersection.

Hill interchange where it will be linked to the Aston Expressway and the M1/M6 motorway. Studies are also in hand for a Birmingham-Oxford motorway which may join a new motorway passing from Twynning to a proposed new major interchange south-east of Birmingham, which would link those two motorways with the M42. With the Oxford by-pass, the Birmingham-Oxford motorway will provide an alternative route into London using the M40 which will by then have been improved by the addition of a motorway by-pass to

Gerrards Cross on which work will commence this year. The Birmingham-Oxford motorway will also provide quick access to Southampton, particularly since the section between Newbury and Winchester has now been added to the Department of the Environment's preparation pool.

All this activity, both in planning and in construction, has given rise to major changes in the attitude of developers to land in the Midlands area. Sites for industrial or warehousing purposes are changing hands at higher prices up to £40,000 per

acre in recent weeks. Other sites which might have been regarded as unattractive to developers such as the disused Tyburn Road sewage works of the Upper Tame Main Drainage Authority are now under active consideration. Developers who have suffered, with industrialists, from the restrictions imposed by industrial development certificate control are now conscious of the ideal situation of the Birmingham area for distribution, and speculative warehousing estates are being planned and constructed on many sites with easy access to the motorway network.

## Special place of the car industry

By PETER CARTWRIGHT

### Technologically based

Thus it may well turn out that the relatively small amount of land still available in the Birmingham conurbation will be used up for warehousing and distributive facilities whereas it is clearly preferable that it should be used for the establishment of new technologically orientated industries, which the Birmingham area sadly lacks and which would do much to redress the out-of-balance caused by the area's deep commitment to metal-working and motor-car production. Since the total amount of free land is clearly limited it is time for the Government to review again its IDC control policies so that technologically based industries can be established in the conurbation while there is still room for them. This is not to say that it is not inevitable that a certain large amount of warehousing will be built to take advantage of the uniquely

Continued on next page.

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It is a good many years since a colleague was hit in the face by a brickbat aimed, during a mass meeting of strikers, by a car worker at a union official who was stoically telling them to go back to work. Things have changed quite a bit since then, of course: even brickbats are no longer thrown.

The incident occurred during the heady post-war period. There have been scores of strikes in Birmingham since then and union officials and managements have become battle-trained and hardened. There is still no lack of hardliners, of tough, determined negotiators, but what distinguishes present-day confrontations—union membership or union-management—is the comparative absence of emotion. Over the years unions and managements have made pretty clear the boundaries over which the other side steps at its peril. Apart from wages and "mutuality"—agreement over such matters as changes in manning and custom and practice—the areas of conflict leading to mass strikes have been appreciably diminished.

From this distance recent events in the newer centres of car production, like Merseyside, suggest they are in an earlier phase of development through which Birmingham has already passed. Here there is something akin to pride, many would say a perverse pride, in what is regarded as a more effective way of handling these matters. That is certainly true of the successful efforts that have been made to raise pay rates and other benefits to among the highest of their kind in the country. Their influence on other centres of production are, as we have been seeing, widespread.

### New models

Their impact on the engineering and associated industries in the city has been even more pervasive. In the past it could be argued by managements not directly associated with the motor industry that while rates in it might be higher they worked far fewer days, even normally, for it was customary to lay off many workers for two or three months during the summer while tooling up for new models. Expansion into export markets having different peak selling periods and the necessity in some instances to meet these peaks in the factory months before to take account of extended transport pipelines made it more sensible to stagger dates for the introduction of new models. As a quid pro quo for this greater stability of employment men were required to work overtime to meet peak commitments. Since then the motor industry has moved much closer to an annual wage.

In general only the greater frequency of strikes and stoppages in the motor industry is maintaining the gap between intermittent, high paid employment and regular, year-round employment at lower rates. But security is far from being the main reason why workers stay out of the motor industry. They prefer the less anonymous smaller units in which the variety of work and personal satisfaction are greater, and personal relations on the shop floor and with management more meaningful. As an important sub-contracting area Birmingham abounds with smaller units in which the family spirit is strong.

### Main stream

But even here things are changing. This was an area that used to boast of its non-unionism, and it has been among them that unions have been recruiting at a rapid rate. Under pressure more and more of the smaller establishments are being carried along by the main stream of events in the motor industry. The recent big and well publicised wage demands, the handsome settlements (especially after strikes), in which any element of productivity tends to be minimised, have all but removed the possibility of opting out. Nowadays the motor industry exerts its influence on the wages front much more quickly and directly in industries as far removed from it as jewellery. This is creating a much less flexible and resilient industrial structure. Birmingham is no longer a place to which one can point as being able to surmount an economic downturn better than almost any other, and strong doubts are being voiced about its long-term future (in common with the rest of the conurbation) if it continues to be denied a share of the new, technologically based industries.

A sector that one might have thought would suffer particularly acutely from this kind of situation is that supplying components, caught between rising manufacturing costs and resistance to higher prices from the car manufacturers. This was truer of the past but the big groupings, like GKN, Lucas, Dunlop, Wipac, Bredon, and Triplex, have become more united and determined in insisting on adequate returns, while smaller units have diversified into other products to lessen dependence on the motor industry. Moreover, the big groups have substantially extended their manufacturing and distribution networks overseas in backing up motor exports, and are now considerable direct exporters, both in original equipment for overseas manufacturers and for replacement markets. Birmingham-based component suppliers comprise bigger and

more effective groups than are generally to be found on the Continent and make a substantial direct contribution to the exports of the motor industry. The growth of multi-sourcing, with European manufacturers purchasing increasing quantities of components from this country, and entry into the Common Market will provide them with new opportunities and should contribute a welcome extra measure of employment stability.



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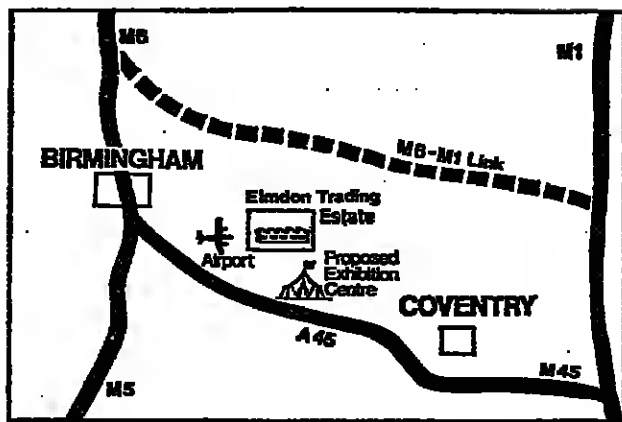
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## BIRMINGHAM VI

## Many-sided work of the Chamber of Commerce

By ROBERT C. BOOTH, Director, Birmingham Chamber of Commerce and Industry

Although the official history of the Birmingham Chamber of Commerce really began with its inauguration on July 21, 1813, a commercial committee had been formed 30 years earlier in 1783 "to deal with matters of trade in the fast-growing town of Birmingham, in central England."

When this Committee became the Birmingham Chamber of Commerce in 1813 it had about 200 members. Much of the new Chamber's work was predominantly local but its scope and influences gradually widened; some interesting visitors came to give addresses, among them Ferdinand de Lesseps who spoke about the proposed "ship canal across the isthmus of Suez" and Dr. Livingstone who explained the course of his travels and the advantages to commerce which might be expected from further explorations. Well-known Birmingham names like George Dixon, Arthur Ryland and Joseph Chamberlain were prominent in the Chamber's affairs then.

In 1902 it was completely reorganised and the Chamber's first full-time secretary was appointed. At the centenary in 1913 membership totalled 1,700 but at the centenary banquet the Prime Minister, Mr. Asquith, was in understandably sombre mood, referring to the "disheartening and repellent spectacle" in the East of Europe.

Three years later, despite the war, the Chamber took a bold step in acquiring its own buildings in New Street in the heart of the city. These were the Chamber's home for over 40 years and were not vacated until 1960, when it moved to its new headquarters in Edgbaston.

In 1920 the Chamber began its long and historic association with the British Industries Fair, successfully running the Birmingham section at Castle Bromwich on the outskirts of the city right up until 1957. It then became clear that specialised exhibitions were taking preference over general fairs. The Chamber could not then see the previous considerable financial and commercial success of the BIF in Birmingham being maintained when it was decided that the BIF in London be closed. The BIF in Birmingham was wound up in 1957.

This did not mean that the Chamber no longer exercised its expertise in exhibitions and fairs. It has become more involved in joint ventures in overseas fairs—last week receiving the Gold Medal for excellence for its sponsorship and organisational work at the Rand Show, held last Easter at Johannesburg. Its vistas are now widening still further with the proposals which it has made jointly with the Birmingham



Chamber of Commerce House, Edgbaston.

Corporation for the siting of the National Exhibition Centre adjacent to the city's airport. Nowadays in its new headquarters in Edgbaston, built in 1960 at a cost of £500,000, the Chamber has a staff of 130 to provide a service for over 4,000 member-firms.

In the U.K. the Chamber's work is linked with that of neighbouring Chambers of Commerce and it is a member of a group of nine Chambers working in five counties in the Midlands. They meet regularly to discuss policy on such matters as national and regional planning, legislation affecting industry and commerce, road, rail and air transport, education, industrial location, fuel supplies, telephone services and productivity. The Birmingham Chamber gives a lead in supporting many national and local campaigns and in promoting industrial fairs and exhibitions.

On any weekday, upwards of 500 businessmen, among them visitors from abroad seeking advice and information on Midlands commerce and industry, come to the Chamber for a variety of reasons. Meetings convened by the Chamber include discussions on education, transport, taxation and industrial affairs; the information department can advise on any one of hundreds of possible topics, from agency agreements to export regulations; British Standards can be purchased from the BSI sales office; the Chamber also has a 6,000-volume commercial library, can provide translations and is equipped with a telex service. In 1970 the 14-strong specialist staff of the information department dealt with 116,000 inquiries; 39,820 certificates of origin were issued and 347 caravans were signed; the translation department carried out over 10,000 commissions and the telex service handled a record 32,600 messages.

If, however, one had to indicate a particular aspect of the Chamber's work which characterises most closely the high degree of day-to-day involvement between the Chamber and its members, the answer would inevitably be the Chamber's export promotion work. In 1960 and the years immediately afterwards the Chamber formed its nine overseas sections, covering the world by geographic marketing areas. Member companies are entitled without extra charge to belong to one or all of these overseas sections. They elect an executive committee, generally comprising manufacturer, banker and export house members, to be responsible for a programme of export promotion in each section's special marketing area.

The result has been to bring Birmingham Chamber of Commerce and Industry right into the export front line, though this has not, of course, happened overnight. But one very important development which led to its involvement more and more directly with the export salesman has been the technique of "hard selling missions" to both major and lesser-known markets. This type of selling mission, comprising a broad mix of companies and products, was pioneered by British Chambers from 1963 onwards.

Firms represented on missions have all the advantages of pre-planned group arrangements, and opportunities for making top-level contacts in the countries visited. They can also make individual arrangements for business visits according to their particular interests, and use the resources of the Chamber for help with market research, and for obtaining information on local conditions in the country concerned. More than 560 local firms have travelled under the Birmingham banner to 112 markets, and it

has been estimated that export orders totalling £81m. have resulted from the 71 trade missions which the Chamber has undertaken since 1963. Of this total no less than £29m. was notified as firmly booked when members completed their initial assessments of business arising from missions.

On the other side of the picture, trade delegations from many countries including the U.S., South Africa, Spain, Germany, Nigeria, Jamaica, and the Congo have visited the Chamber in the past 12 months for talks about business possibilities, while Ministers, ambassadors and individual businessmen from many countries have been welcomed here. The Chamber's overseas contacts, too, frequently identify products which are suitable for the member-firms.

This brief picture would not be complete without reference to its publications, its policy work in the fields of taxation, transport, law and education, and as a sounding-board for the views of industry and commerce.

In addition to a special bulletin for exporting members, the monthly journal "Midlands Industry and Commerce" is instrumental in keeping everybody abreast of local and national developments of which they should be aware. A four-language trades directory listing 6,500 West Midlands firms is published each year and circulated widely both at home and abroad. The Chamber's committee structure takes into account such diverse questions as the restriction of industrial development in the Midlands through IDC policy, close company legislation, developments in commercial education, the future structure of U.K. taxation, national and local transport problems on the road, rail or in the air, and a host of other day-to-day matters affecting the membership at large.

## Brokers — (Cont'd.)

Continued from previous page of service for the industrial giants. Some of these are big companies in their own right; a large number are smaller public or private companies. And it is in this type of operation that the merchant banks see the chance of developing a lot of good business.

In the early and mid-1960s there was a rush of activity in the flotation of private companies on the Stock Exchange, some of them very small indeed. At that time, a number of Birmingham stockbrokers enjoyed the profits of handling locally based flotations on their own account. BIT was partly set up in anticipation of this business. And the one indigenous merchant banking operation which has remained independent, the Neville Group, was particularly prominent in this field.

Neville, set up just before the war by the late Mr. George Roland Dawes, made a speciality of nursing small companies to the point of going public, and servicing their needs afterwards. For a number of reasons, the rush of issue activity has died down: Stock Exchanges became more rigorous about the size and other qualifications demanded before they would give a share quote; the trend towards the integration of industry meant that many small companies have been taken over at or soon after the point when they are of a size to go public. Partly as a result of this Neville has somewhat changed its character, tending to take a direct interest in the companies it is involved with.

The prospect of good financial business has at the same time increasingly attracted other banking and financial businesses into the area. ICF, for example, has found it well worthwhile to have its branch in Birmingham to provide finance and financial advice to local industry. With varying success, an increasing number of London merchant banks have been venturing out from their City seclusion to seek business through local offices or representation. Singer and Fried-

lander started in 1963; others have included Hill Samuel, Charterhouse, Old Broad Street Securities and William Brandts.

For these operations, local contacts have proved vital to success. It is fairly generally acknowledged, for example, that Singer and Friedlander has done one of the best jobs in establishing itself in Birmingham (and in other centres) because it has deliberately employed men of high quality and local knowledge with the ability to make decisions on the spot.

## Merger advice

The sort of business the merchant banks are looking for includes, for example, the provision of merchant banking services not only to the smaller companies in the Birmingham area, before and after flotation, but also to the considerable number of fairly large companies which have not so far used merchant banks. They see an opportunity for helping to improve management standards generally, as well as offering banking services, investment management and help with takeover and merger advice.

At the same time, it is increasingly recognised that only local knowledge and contacts can make this work. The resistance which many local businessmen not unnaturally feel towards the interloper from London is still a factor in the situation, particularly since there is a strong element of director-controlled companies with traditions of self-reliance in financial matters. And those banks which are successful stress the importance of regular factory visits and of using local professional services in dealing with local problems.

Similar views are expressed with some conviction at the Birmingham Stock Exchange. This houses the offices of one of the major regional Stock Exchanges of the country. With a total of 224 members—over half of them in Birmingham—and 37 member firms, the Midlands and Western Exchange covers as well Nottingham, Bristol and South Wales—the

most important industrial concentration in the U.K.

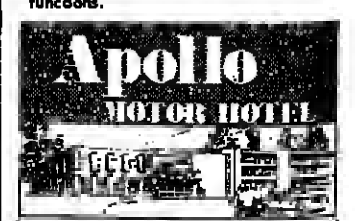
It is freely admitted that the exchange could hardly work satisfactorily without the existence of London; a fair proportion of the business done by the local brokers originates in the capital, and the prices at which dealings are done are largely determined by London. Yet the local brokers express complete confidence that they can compete easily enough with their big London colleagues. The prospect of a United Stock Exchange, and of the London brokers with their big research organisations opening up locally, it is felt, would bring compensating advantages for the local man. The appearance of the big guns, would, it is argued, help to bring more business in for everybody. And the local knowledge of the Birmingham brokers would remain as a major advantage. This, it is pointed out, applies not only to the smaller companies which are centred locally; so many of the national companies have at least a substantial part of their manufacturing operations in the area, wherever their headquarters may be, that the man on the spot can often be closer to the real situation than the analysts in London.

This kind of thinking runs

through the whole of the Birmingham financial sector. The inclination is to welcome competition, whether on the Stock Market or in the banking business, in the confidence that anything which improves the standard of local services must be good for everybody concerned. While this attitude prevails, and Birmingham continues to produce energetic industrial and financial entrepreneurs, the opportunities for growth should continue to present themselves.

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## BIRMINGHAM VII

## The battle for the exhibition centre

By HAROLD BOLTER, Industrial Correspondent

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Sponsors of Birmingham's scheme for a £12.5m. National Exhibition Centre are quietly confident that Mr. Peter Walker, Secretary for the Environment, will over-ride local objections and announce planning support for the project in the Commons in September. Even if they are right, however, the decision would mark only the start of their battle to get this scheme for a 1m. square feet centre in the Midlands off the ground.

The need for such facilities somewhere in Britain is undeniable—a cursory visit to Earls Court or Olympia is enough to make the point. Whether they should be sited in London, the traditional home of international exhibitions in the U.K., or in the Birmingham area is more open to question.

The initiative, enterprise and enthusiasm of the sponsors of the Birmingham scheme, the city's Corporation and its Chamber of Commerce and Industry, are commendable qualities. But so far they have not been sufficient to win over the support of the U.K.'s exhibition organisers, 92 per cent of whom prefer the rival scheme for a £21.5m. centre at Northolt, again of 1m. square feet, which has been proposed by the Lyon group.

Birmingham's argument is that a non-servative, London-based exhibition industry can be expected to set its public face against the plan to build this prestige centre in the provinces while there is still even the slightest chance that the Government can be persuaded to allow it to be built in London.

There are already indications that a few organisers are prepared to throw in their lot with Birmingham if it transpires that the city's scheme is the only one which will be allowed to proceed. Others according to the Birmingham view, will jump on the band-wagon later.

This may well be so. For the moment, however, the near-unanimous attitude of the exhibition organisers is that because of their implacable opposition to a centre in Birmingham, tenancy bookings would be unlikely to generate sufficient income to service the capital

outlay proposed, unless rental charges were very high. There would then be the danger that the centre would price itself out of the exhibition hall market.

Members of the Association of Exhibition organisers are convinced that a complex of 1m. square feet of exhibition space is not a viable proposition anywhere outside the London area, although a smaller centre might be.

Their entrenched opposition is the most important stumbling-block facing the sponsors of the scheme for a centre at Bickenhill, in Warwickshire. Otherwise, there is much in its favour. From the point of view of cost the Birmingham scheme compares extremely favourably with that for Northolt.

Originally estimated at £11.5m. at 1970 prices, a realistic cost for the Bickenhill project by January 1972 is probably £12.5m., exclusive of professional fees, and £13.75m. when they are included.

Birmingham has three other major financial advantages—the city's Corporation is prepared to lend £5m. towards the cost of the scheme on favourable terms, a Government grant of £1.5m. will be made if planning permission is obtained from Mr. Walker, and the 415 acres of land needed for the scheme have been acquired at a cost of only £480,000.

The rest of the Lyon scheme for Northolt, on the other hand, is £21.5m. at to-day's prices for a 1m. square feet centre on a much more restricted site of 140 acres. The Greater London Council has indicated that it will contribute a loan of up to £10m. towards the cost if planning approval is forthcoming.

This price differential would give Birmingham a useful advantage over Northolt when it is working out letting rates, particularly as the plan is to operate the centre on a non-profit making basis.

## Green Belt

It is important, in the context of the need for environmental planning approval which both schemes demand, to remember that the Bickenhill site in Warwickshire falls in a proposed Green Belt area only and not in an existing Green Belt. However many shades of green the GLC might think there should be, such as that confirmed at Northolt.

There are other factors which would make it difficult for the Secretary for the Environment to refuse Birmingham's planning application and approve that for the Northolt scheme.

Birmingham's plans provide for direct access by graded intersections from four points in the centre's own car park to major trunk roads and motorways in the area (the centre is extremely well placed near the centre of the motorway network). This arrangement already has the approval of the Department of the Environment's own divisional road engineer.

Despite ingenious attempts to get over the problem, there is much more likely to be road congestion in the area of a Northolt centre, if the scheme goes ahead, particularly on the A40 trunk road.

Birmingham has the edge, too, in the number of car parking spaces it can provide on a much larger site. Initially, its project provides for 15,000 cars but this could be expanded to as many as 50,000 relatively easily if the demand arose.

Northolt, on the other hand, could cater for only 10,000 cars (together with a two-acre bus and coach terminal) and it is difficult to see how this figure could be increased unless the developers built upwards.

One of the charges levelled at the Birmingham scheme is that the city and its environs could

not provide sufficient hotel accommodation for the visitors to an international exhibition.

The answer from Birmingham is that there are firm plans for 6,000 hotel rooms immediately associated with their scheme and a further 4,000 rooms in the pipeline. The Birmingham authorities argue, too, that visitors to Northolt (with plans for a 600-room hotel on the site) would find it at least as difficult to find accommodation in the London area at the height of the tourist season as they would in Birmingham, Coventry and the surrounding Midland countryside.

And if exhibition visitors were determined to spend their evenings in the capital they could get there in 80 minutes from a new station to be incorporated in the Birmingham scheme, and even faster than that when advanced passenger trains are introduced.

The level of support for the rival schemes is difficult to distinguish, apart from the single—and possibly decisive—factor of the exhibition organising industry.

Northolt has the support of the organisers and, probably, a majority of potential exhibitors. The Confederation of British Industry, although treading carefully because of its strong West Midland membership, appears to favour a London scheme and so do the British National Export Council, London Chamber of Commerce, and most of the major trade associations.

Birmingham's proposals have received tacit support from two Governments of different complexion and from the West Midlands Economic Planning Council.

This council feels that the immediate effect of the construction of the National Exhibition Centre at Bickenhill would be an improvement in the region's pattern of communications, which would further enhance its position as the country's industrial centre.

This would lead in turn to more business for all services that are associated with the movement of goods and people, such as financial, insurance and

factoring services, freight and road haulage businesses and travel agencies.

A centre would also create a demand for such services as hotels, restaurants and shops and result in the development of conference centres and the provision of specialised clerical, duplicating, public relations and translation facilities as well as computer services and telecommunications. There would also be a direct stimulus to the region's export business.

"The NEC could be a development of the greatest importance, providing employment and encouraging business in itself, but above all acting as the growth point for a range of activities, which are at present under-represented in the region," the Council says.

The Birmingham scheme's sponsors estimate that by 1981 the centre will have created employment for 2,000 people on a full-time basis and 800 part-time jobs. Additionally work for thousands more would have been provided by the ancillary service developments.

The construction of a centre at Bickenhill would clearly make the West Midlands region less heavily dependent on manufacturing industry and provide more balanced employment.

All of these arguments in its favour will mean nothing, however, unless exhibition organisers and participants can be convinced that Birmingham is a suitable place for the centre, and that visitors can be persuaded to make their way there.

The pull of London for tourists is undeniable, despite the counter-claims of Stratford and the Warwickshire countryside. The capital's entertainment and dining facilities are infinitely superior, despite a number of pleasant restaurants and the occasional bright night spot in the Birmingham area.

Whether these factors would mean that a Birmingham centre could not be made viable, as the exhibition organisers suggest, is a matter of opinion. The sponsors of the project, who are providing the capital, are confident that it would not become a white elephant.



Outside New Street Station.

## Key role in the export field

By J. C. BEHARRELL Scholefield, Goodman and Sons Ltd.

Birmingham has long been recognised as a City of 1,000 trades, and it is against this industrial background from the time of the Industrial Revolution that many Birmingham export merchants were founded.

During these early days, the export merchant was a true trading pioneer and responsible for selling and shipping Birmingham-made wares throughout the world, with particular emphasis to British possessions overseas which the trader of bygone years did so much to build up.

These "export sales adventurers" did not travel in the luxury of a VC10, but under wind and sail, nor did they have the assistance of the export salesman's aids of Telex, telephone and cables. It was hard graft, but it was under these

conditions that much of Birmingham's early prosperity flourished.

The export merchants had to feed back to the manufacturers information on market conditions and customers' special requirements and the manufacturers' only real interest was to produce the goods. In many cases, the export merchants had their own registered trade-mark under which all goods for export were sold.

## Worldwide groups

As time went by, manufacturers became larger and transport and communications became more rapid. Opportunities for export merchants working only as export salesmen shrank and so the merchants modified their opera-

tions and concentrated more on the financing of overseas trade. To do this, they developed into worldwide groups with strong permanent contacts overseas.

To-day in Birmingham, under the banner of the British Export Houses Association, there are some 15 export houses. They account for approximately £75m. of trade annually.

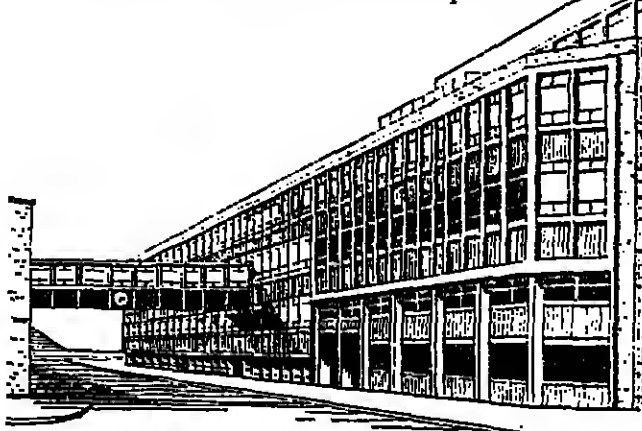
Modern conditions made it less necessary for the merchants to be near the manufacturers and now by far the largest concentration is in the City of London. Nevertheless, it has been found that the continuing presence of merchants in the area has its advantages to manufacturers.

The Birmingham Chamber of Commerce and Industry is

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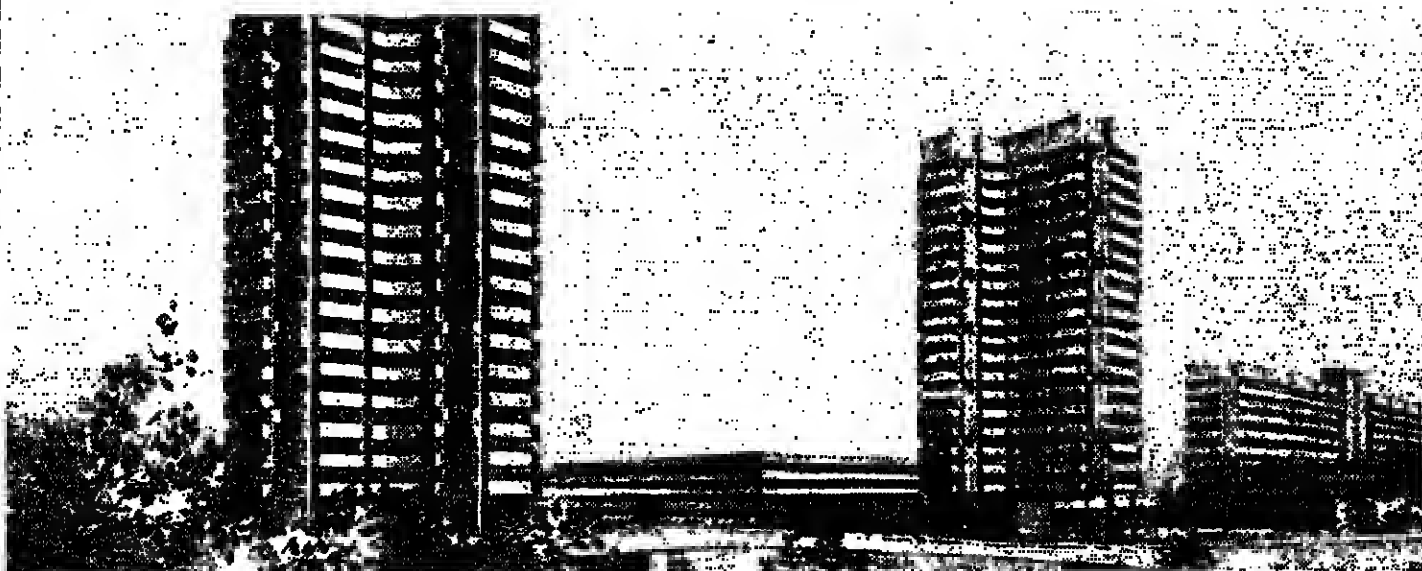
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## BIRMINGHAM VIII



"Five Ways" offices at Edgbaston, built for Metropolitan Estate and Property Corporation.

# Ease of access helps property growth

By JACK HAY

Apart from the importance of industry there are two things attractive about Birmingham. It is the heart of the motorway network of the country; and it has more trees per square acre than any other city in the country. Indeed there is a bird sanctuary only one and a-half miles from the heart of the city.

If you stand in the Birmingham Chamber of Commerce, on one of the top floors, and look to the south you have the impression of a forest.

This is in Edgbaston, and it is the way in which this area has been handled by the Calthorpe Estate which has encouraged so many office organisations to move there. The Hagley Road leads to the M5 with a link to the M6. The whole of the Southern side of Birmingham is within easy reach from Solihull in the East round through Hagley and, indeed, to Wolverhampton. The catchment area for staff is enormous. Transport facilities through the local services are also good, and for lunch time shopping there is little time lost between Edgbaston and the centre of the city.

Development of Edgbaston as an office area started with the conversion of large houses. At one time—and not so very long ago—this was the place to live. To a considerable extent it still is, but the houses now being used for families are much smaller; the larger houses have been converted.

### Parking facilities

Almost inevitably, with the difficulties of parking in the city centre the larger companies began to look at Edgbaston with ease of access to the city centre and New Street Station, or an across city journey to Edmdon Airport, avoiding the congested Coventry Road. The Chamber of Commerce put up their multi-storey block with parking facilities; Shell-Mex and BP built their building. Now office blocks of up to 16 stories are almost commonplace.

But it has not become a concrete jungle. Careful control has been exercised over development; there remains the pleasant atmosphere of a garden suburb.

The ease with which Edgbaston can be reached from the city centre has been a major factor in the move of offices to this area. An additional attraction is that because of the

motorway network and the improved radial roads into Birmingham it is accessible to businessmen who do not want to use—or cannot use—the hotel facilities in the city centre.

As with most large cities, Birmingham suffers from a shortage of hotel accommodation during the week, but hoteliers find themselves with empty rooms at the week-end. However, there is the advantage in Birmingham that Stratford-upon-Avon, Coventry, Droitwich, Worcester, and areas such as Sutton Coldfield are within easy motoring distance, and with good hotel facilities.

Hotels along the Hagley Road, the main route to the South and the West, have their own parking facilities. Those within the city centre of Birmingham have multi-storey car parks either immediately alongside or within striking distance.

But in many ways Birmingham has always been a city which has tended to live outside. The majority of Birmingham people, on a night out, head for the countryside—if you live in the south it is Warwickshire or Worcestershire, if you live in the north it is Staffordshire.

For most business visitors the situation is well known to the companies they represent or the companies they are visiting. Austin-Morris use Droitwich—only a few minutes down the M5—or a modern hotel in Birmingham. Companies in Coventry move between modern facilities there and the more leisurely approach of Leamington, Kenilworth or Stratford.

For Birmingham itself there

is anything within a 20-mile radius. There are seven main radial roads into the city, all, in modern terms, capable of carrying an adequate traffic load.

A difficulty which the hotelier in Birmingham and the area has to face is the easy access to London and to Manchester. An executive with business in London may well find it easier to stay in his hotel there, and, if he wants to go to Birmingham to make it a day trip.

### Adequate hotels

But if Birmingham can develop—as it is doing—adequate hotel facilities the reverse could apply. It could mean Continental and other overseas visitors flying to Edmdon, staying in Birmingham and making their required trips to London.

The development of industrial estates in and around Birmingham may encourage this. Birmingham must be regarded as a conurbation. Taking the immediate area, Redditch is planned as a new town, and should be linked to the M1 and to the M5 and the M6 under motorway plans, and Tamworth is another expanding town, with a good link to Birmingham and near the M6 and the M1. Within Birmingham itself there is Chelmsley Wood, which virtually sits on the Midlands Motorway Link, and there are Frankley and Hawkesley near to the M5.

From these two factory areas, of course, there is easy access to South Wales by the M5. Birmingham believes that it is the industrial capital of

Britain, and that growth in all the areas of office development, hotels and industrial estates must be encouraged. On these will rest the competitive ability of the area, and, to a certain extent, the competitive ability of the country.

Around one-third of the Birmingham office population is located in an area of about one-and-a-half square miles in the centre of the West Midlands conurbation. Rentals are at £1.12 to £2 per square foot in the city centre. But with the growth in car population parking must be taken into consideration and the easier parking facilities in suburbs such as Edgbaston are a great attraction.

The proposed National Exhibition Centre could have a considerable influence on the development of hotels, offices and industrial estates.

Apart from the hotels in the city centre, the main accommodation is along the Hagley Road. This is within easy reach of New Street Station, but it is on the south-west side of the city whereas the proposed National Exhibition Centre is between Birmingham and Coventry on the east side of the city.

There are approximately 6,000 hotel bedrooms within 20 miles of the N.E.C. Developments are likely to provide another 4,900 rooms of good quality. The total compares with Frankfurt with 10,200 beds, Hamburg with 12,000 beds and Munich with 18,000 beds.

But it is anticipated that new hotel projects will be announced as the N.E.C.'s construction progresses.

## Exports — (Cont'd.)

Continued from previous page  
Commerce and Industry presents an ideal focal point for views and comments to be exchanged between the local export houses and manufacturers. Executives of export houses are represented on the chamber's overseas Section Committees and such executives have been active in their participation on Chamber of Commerce trade missions and have, in fact, been chosen to lead missions because of their experience of the markets and their contacts with a wide variety of industries.

The modern form of export operation falls into two divisions. On the one side there is the export management company, acting specifically on behalf of the Birmingham manufacturers, and on the other, the confirming and buying house operating on behalf of the overseas importer.

The export management company offer to their clients a complete export service, including selling, documentation and finance which can relieve the manufacturer of the necessity of having his own export department. Many of the smaller companies have found this to be a great advantage to them because they have access to the specialised knowledge of the export house without having to pay for all the overheads which acquiring such knowledge entails.

This area of export specialisation by trading houses, is very predominant in both Japan and Germany who are among the world's leaders in export. In the U.S. under the heading of "combination export manager" there is considerable expansion with a particular emphasis on trading with South America.

### Confirming houses

The other major role of modern export houses is that of confirming. This has always been a mysterious operation to the layman, but basically it is very simple. The confirming house acts as an intermediary between the overseas buyer and manufacturer wherever they are situated. The confirming house guarantees the manufacturer that after he produces the goods, he will be promptly paid. It is then up to the confirming house to grant the overseas buyer the credit that he must

have in order to land the goods and prepare them to sell in his own country.

This may seem, at first sight, a very simple operation but as the service now extends throughout the entire world, including East European countries, the confirming houses must be familiar with all the local regulations governing finances and the import and export of goods.

It has been argued in the past that the British confirming house, financing the export of goods by a foreign competitor of British industry, may be doing active harm to the country, but it must be remembered that British confirming houses have to compete with their opposite numbers in other countries. It is because of the confirming houses' expertise and integrity which has been developed over the years, that enables Britain to earn foreign exchange. It is common practice to see, under the conditions of sale by foreign manufacturers, under the terms of payment—"Payment to be effected by confirmed irrevocable letter of credit or through a British confirming house."

The profits that the confirming house makes over these transactions go to swell the country's invisible exports without which we shall never be

able to produce a favourable balance of payment and, in fact, it has been calculated that for every confirming house employee, there is earned about £2,000 in foreign exchange.

In conclusion, it should be pointed out that the U.K. is the second biggest earner of invisible earnings in the world and has produced an annual surplus for the past 180 years which is equivalent to over half of Britain's import bill. Birmingham can be truthfully said, has truly played its part.

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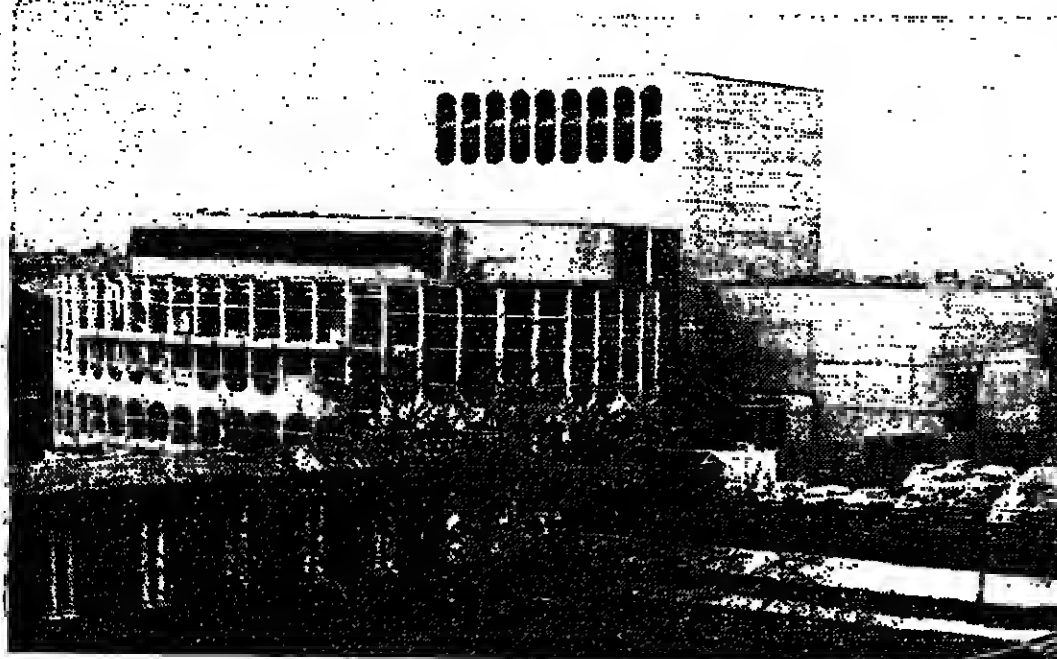


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## BIRMINGHAM IX



The Birmingham Repertory Theatre.

# Unions review their function

By BRIAN MATHERS, Regional Secretary, Transport and General Workers' Union

While there are more enlightened, forward-looking managements in Birmingham than there used to be, there are still too many lagging behind in manpower planning and industrial relations generally.

The changing face of industry, the growth of companies into bigger and bigger units, the economic climate and the changing social patterns of the city all serve in their various ways to contribute to the opinions and attitudes of organised workers towards the current industrial scene.

### Company growth

The present economic climate has incurred many reactions which serve to confirm the viewpoint that the nation gets the industrial relations that are created by the circumstances in which the workers operate. The growth in the numbers unemployed has, for example, incurred an attitude towards productivity bargaining and in my own union there is little likelihood that productivity deals will be accepted where it is considered these will add to the numbers already unemployed.

The amount of overtime being worked is also the subject of close scrutiny and workers' representatives are now demanding a greater say when it comes to deciding whether or not overtime is to be worked. The general economic climate is the dominating factor which has inspired this attitude and, unless the economy is quickly expanded, I predict that despite the monetary provisions of the Redundancy Payments Act and Earnings Related Benefits a number of battles will be waged in opposition to redundancy. The provision of severance pay becomes less acceptable when redundant workers are faced with long-term unemployment.

There are far too many managements who fail to take account of the factors which make for orderly union/management relationships. The growth in the size of companies has brought about a position where the workers' contribution, particularly in the highly sophisticated technical process, is fast becoming that of a very small cog in a bigger and bigger wheel, and there is a tendency on the part of some managements to disregard the fact that workers can easily become discontented when they are treated like mice on a treadmill. Unless management are prepared to consult and seek agreement on factors which affect the well-being of their work force they will get the industrial relations which they have created.

There is a growing trend amongst many managements to seek ways and means of eliminating factors in their wages structures which heretofore provided the medium for meaningful agreements. The whizz kid consultancy organisations have sold many managements the idea that all will be well if they change the wages structure. The piecework system, still the most generally accepted form of payment in the majority of engineering establishments in the area, is held up as the bogey and the desire that many managements have to replace it, either with a system of measured day work or some other sophisticated alternative, ignores the fact that any wages system which is rigorous in its application to a point where there is little to consult and agree upon is doomed to failure.

### Inflexible system

In this age of rapidly changing techniques, where problems arise daily, there is no room for the inflexible payment system which makes no provision for workers to be consulted and to arrive at an agreement on

ing the wages and conditions agreements on behalf of the members at factory level.

There has been a significant growth in the numbers of workers who have been recruited into unions in the past few years. The field where this has been most marked is among staff workers. The Administrative, Clerical, Technical and Supervisory section of the TGWU is the fastest-growing of all the union's separate trade groups and it is here that the new unionism is forging agreements and forming new committees to cater for the influx of staff and supervisory workers over the whole range of Midlands industry. The expansion in this field has been most marked in larger offices and staff workers, who until recently have been reluctant to join unions, are now playing a major role within the union and are demanding salaries and conditions agreements to replace what was often a grace-and-favour method of fixing the level of remuneration.

It is expected that the influx of staff workers into the union will continue to gain ground and a great deal of specialist attention is being given to this field. Employer resistance is rapidly being overcome and the development of industrial relations in the office is occupying the attention of both sides and it is hoped that the experience of developing a working relationship among industrial workers has taught management the lesson that resistance to union organisation is the first step on the road to future difficulty.

acceptable standards. Systems of this character will find little favour with trade unionists whose background has been conditioned through the medium of shop floor agreement on what will be done for how much.

There is a great deal which needs to be done in the way of improving the climate of industrial relations at the grass roots. Procedure agreements in many industries are not capable of producing results which satisfy the needs of the domestic bargaining which takes place at factory level. Often the fault lies in the fact that management decision makers do not enter the bargaining arena until after the factory bargaining arrangements are exhausted. In the belief that the best bargains are made with those who have to operate them, I consider that managements who protract the solution of their differences with the union by using procedural steps outside the factory, lose a great deal of the goodwill which can accrue from making bargains directly with the shop stewards.

### Shop steward

The role of the shop steward has undergone a major change; especially this is the case with the decentralisation of wage agreements. Bargaining at the point of production is a replacement for the centralised wage system and to meet the growing importance of shop floor agreements there is a need to equip shop stewards with the wherewithal to cope with the greater responsibilities which the decentralised system demands. For far too long the facilities provided by some companies have been totally inadequate. The needs of the situation demand facilities to enable the shop steward to consult his members on occasion during working hours in order that they are fully acquainted with the terms of any proposals which might lead to alterations or changes in working practices or conditions. The framework of a good working relationship between both sides of industry must recognise that the shop steward is the union bargaining agent. He cannot function in a way which is conducive to a good relationship if he is severely restricted in the way he does his job.

Fortunately, the attitude of management is beginning to change and agreements have been concluded between the TGWU and a number of local employers which make provision for the proper training of shop stewards and educational courses have been arranged by the union which are designed to assist the shop steward in his day-to-day role as a negotiator. The most important of these agreements was recently concluded with the West Midlands Engineering Employers' Association. In substance, this agreement makes provision for the union to arrange and conduct the education course and the Association have recommended their member firms to let stewards have paid time off to attend.

### Research facilities

The union has set up an Education and Research Department in the Midlands Region to cater for the demand for courses, and in the months and years ahead a great deal of time and effort will be directed not only in arranging the long-term educational programme but in backing up shop stewards with research facilities and information to enable them to fulfil their role as grass-roots agents of the union whose responsibility extends to fashion-

# Managements hope for greater stability

By C. V. D. WILLIS, Chairman, West Midlands Engineering Employers' Association

The role of management in Birmingham, as elsewhere, is becoming progressively more exacting arising from three main factors — economic pressures, technological changes and the claims and expectations of the labour force.

Economic pressures make it essential for managers to be cost-conscious and productivity minded to a much greater degree than ever before. When faced with claims for higher wages, companies are finding it more difficult either to absorb the additional costs or to pass them on to their customers. Although the term "productivity bargaining" is much less fashionable than it was, the concept of offsetting higher wage costs by means of improved effectiveness in company operation is still very much an essential requirement.

The analysis of costs and a determined attempt to improve productivity, demands from managers both the ability to diagnose and analyse problems and an understanding of the variety of management techniques available to cope with these problems. Large firms can usually meet these demands either from within their own

management resources or by the engagement of outside specialists. The difficulty for the smaller companies is that their very limited number of line managers do not possess the necessary specialist management techniques nor can they afford to employ outside experts.

### More competition

The increased rate of technological change brings with it the challenge of stronger competition. It is increasingly necessary therefore for managers to keep abreast of technical innovation and to be capable of planning changes in their own firms. To be successful, such planning must take into account the industrial relations problems which may result from these changes and the need for manpower planning and retraining throughout the establishment.

Furthermore, increased mechanisation and automation means that many more jobs are now becoming repetitive and boring so far as the operators themselves are concerned, and this means that management have continually to consider ways and means of trying to retain job interest.

But it is in the field of industrial relations where, because of claims and pressures from the labour force, most changes have taken place over the past one or two years. These pressures come from two main attitudes, first a desire by the workers to improve their standard of living — and in the face of the continual rise in the cost of living this is a major and understandable factor. Secondly, they want a greater say in decisions affecting their working lives — and with a progressively better educated and more informed work force as a whole, this again is an understandable and indeed a healthy development.

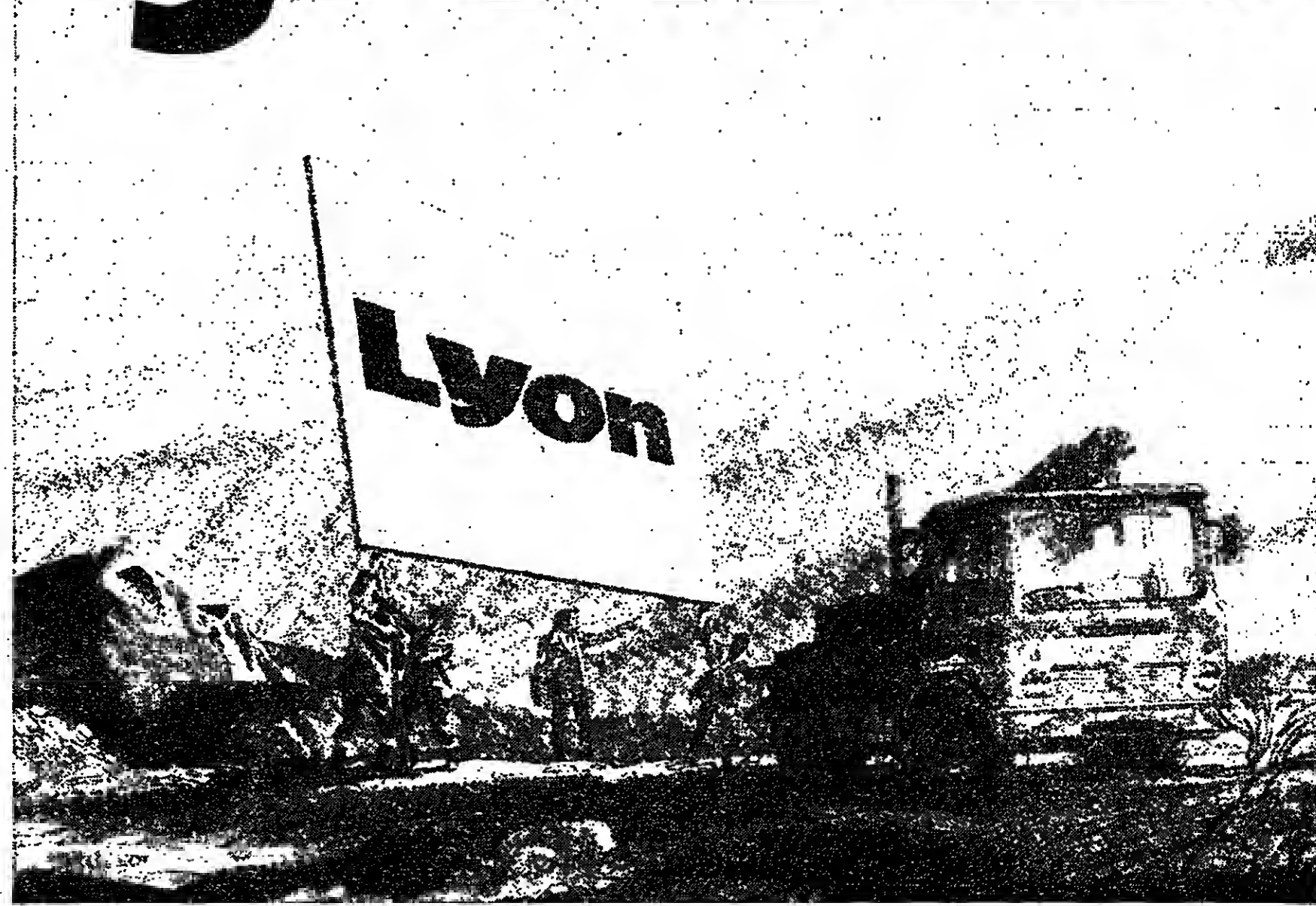
Two additional factors have also had a marked influence on the scene. First, is the spread of trade unionism, especially among white collar workers, coupled with the increased power and militancy of the trade union movement as a whole. Second, is the introduction of Government legislation covering contracts of employment, redundancy payments, industrial training, race relations, equal pay for women, and now the imminent Industrial Relations Act.

All these factors, closely re-

lated and to some extent working together towards a common aim of improving a lot of the individual work have forced managements to adopt new attitudes in the field of industrial relations. Management's role has become more intuitive and more analytical and professional; less rigid and more responsive to change; above all, less authoritarian, more concerned with involvement in establishing a working relations with employees. This realisation of need for involvement in industrial relations from the highest possible level of management downwards is perhaps one of the most marked changes which has occurred in recent years. The need for this involvement was first highlighted in Donovan Commission Report and now it is the cornerstone of the Government's Code of Industrial Relations Practice. "Management has the primary responsibility for good industrial relations, should take initiative in creating and maintaining them and accept the same degree of responsibility for industrial relations as for finance, marketing, production."

Continued on next page.

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## BIRMINGHAM X

# Growing impact of local radio

By J. L. JOHNSTON, Manager, BBC Radio Birmingham

Every afternoon the Birmingham and Western Stock Exchange report comes over Telex from the Stock Exchange in the city centre to BBC Radio Birmingham's newsroom in the new BBC complex in Edgbaston. It is broadcast at 6.45 p.m. together with a summary of Midland and national business news, and the London Stock Exchange report (not forgetting the Financial Times Index).

Radio Birmingham's fifteen-minute Business News was a priority when deciding upon programme schedules. In all the years of regional broadcasting it had never been possible to reflect the daily business and commercial scene of Birmingham and the West Midlands.

Business firms, used to supplying information to newspapers, found it hard to believe that Birmingham's new radio station also wanted the news of their profits, losses, sales successes and Board changes. But Universal News Service of London from the start gave a daily teletypewriter service that kept Radio Birmingham's Business News right up to the minute.

To-day, eight months after the station's first broadcast, that service runs in parallel with our own business contacts, letters and information from companies and close relations with the Birmingham Chamber of Commerce and other trade organisations. Of course, when (and if), Birmingham gets the National Exhibition Centre, Radio Birmingham will start to rethink its business news service. What is to-day one fifteen-minute programme on business will become an updated service broadcast regularly during the day, and (we hope) from a radio studio in the new centre.

If you ask what evidence we have that people are listening at that time, you are invited to sit in on our telephone switchboard and take the calls the next time our transmitter doesn't happen to work at 5.30 a.m.

News, however, is not all that Radio Birmingham broadcasts. Recently broadcast was a two hour performance of "The Dream of Gerontius" from the Oratory Church in Birmingham, and music of all kinds has a growing place in the programme schedules. There are pop, light and classical music programmes. Much of these are on records; but there is a monthly Folk Club with groups in the studio, and if all goes well we will have more live and recorded material by local musicians in the future.

### News bias

But there is no denying that Radio Birmingham's general output has a strong bias to news and current affairs broadcasting. We live in, and broadcast to, an area in which a great deal happens every day—in politics, business, local affairs and industry. There is never any problem in filling our bulletin. Rather the daily headache is the selection of what can be covered in detail, not only in Birmingham, but in the Wolverhampton area and Coventry. To improve our coverage in both of these places we are appointing Radio Birmingham staff men to live and work there.

Most other programmes tend to have this news and topicality outlook. The "Performance" programme reviews current plays, films, with music performances; "Theatre Club" discusses this week's amateur shows with the cast, producer and local critic; "Talk It Out" picks a subject from the day's news and has three or four of those involved around the studio table a couple of hours later.

If there is one thing that local radio has proved beyond doubt it is that you don't need two or three days to organise a topical feature or discussion about a burning local issue. You need to know how to use a telephone and good contacts a qualification for every good newspaperman.

So what is the role of a local radio station broadcasting to a sizeable proportion of the whole population of England? It isn't easy to find one single factor that gives our "patch" a community of interest. Wolverhampton, Coventry and the Black Country tend to be suspicious of Birmingham's intentions and ambitions. Birmingham now sees itself as a great (which it is) and outward looking city. The initiative which got the whole project of the National Exhibition Centre going is indicative of the new mood.

There is now a permanent Birmingham Conference devoted to promoting the image of the city at home and abroad.

There are active links with Frankfurt, Lyons and Milan. The Germans already take this seriously. The Frankfurter Allgemeine Zeitung carries a regular feature on Birmingham life and times. Radio Birmingham's International Club reflects the foreign contacts of the whole area, and life in Birmingham's twin cities is something we might look at too. At the moment the city is getting excited over a plan to run a Grand Prix Road Race round the city centre. This will need a Bill through Parliament, and Birmingham has few doubts this will go through.

### All views

All of this and more it is Radio Birmingham's job to reflect, not only in our daily news schedules but in promoting argument and discussion reflecting all points of view. But we are not just the voice of Birmingham. As the "Heart of the Nation" station it is also our brief to broadcast the views of Birmingham's neighbours. This is another reason for putting our own men into Wolverhampton and Coventry, so that we have our ears closer to the ground in these lively places.

The plain fact is that much of what happens in these three main centres of Radio Birmingham's broadcast area, especially in industry, is of intense mutual interest. In a way one unifying

Continued on next page.

## Managements— (Cont'd.)

Continued from previous page

Reverting to the subject of claims and demands from the labour force, although over the last two years the number and size of these claims have reached unprecedented proportions, the general pattern of disputes arising out of these demands has remained unchanged for many years. In federated engineering firms in the West Midlands about 60 per cent of all disputes relate to claims for more money, about 30 per cent relate to working conditions, and the remaining 10 per cent arise from miscellaneous causes. It should be noted that while disputes arising out of dismissals are invariably given wide publicity and much propaganda use is made of them by the trade unions, in fact the incidence of these disputes, certainly in federated firms, is very small indeed. For instance, out of a total of 647 cases taken through the engineering disputes procedure in the West Midlands by both manual workers and staff unions in the first six months this year, only 18 issues related to dismissals and three to suspensions—

together only 3 per cent of all questions raised by the unions. Closely connected with the question of claims and disputes is the incidence of strikes and other industrial action taken in support of these claims. Since 1968, these have increased in the West Midlands at an alarming rate and reached an all time high for the industry of just over 700 incidents in the first six months of 1970. Since then, however, there has been a marked decline and welcome fall: 387 incidents were reported in the last half of 1970, a fall of nearly 50 per cent. This downward trend has continued into 1971—in the first six months 284 incidents were reported. Factors such as unemployment, redundancies, many companies going out of business, the Government's stand in the public sector, the stand taken by a few well-known large companies in resisting exorbitant wage claims have all undoubtedly contributed to this downward trend. At the same time, the effect of the emerging awareness and involvement of top management in industrial relations affairs should not be discounted as another major contributory factor and one which should gradually assume more importance and have an ever greater effect on the industrial relations scene as time goes on.

### National agreement

Alongside the changes which have taken place in the role and attitudes of management, a similar change has taken place in the West Midlands. Traditionally the work of the Association has centred around the handling of disputes through the national procedure agreement—essentially a defensive "fire fighting" role. While this still accounts for the major part of the Association's work, a much more positive and forward looking role is now being adopted by the Association, not only by the normal industrial relations staff but also by additional specialist staff in the fields of productivity and manpower planning, training, health and

safety, statistics, and legal matters. These extra advisory services are of particular use to small and medium size firms who for obvious reasons cannot afford to employ their own specialists in all these areas.

However, the essential aim of the Association's work remains the same, the establishment and maintenance of good industrial relations throughout the whole membership of 750 firms. The Association is now attempting to achieve this by giving advice and practical help to companies before rather than after troubles and disputes have broken out.

### Close relationship

One essential factor in the work of the Association is the relationship which exists with the local trade union officials. Strikes and action taken by union officials in support of these strikes on behalf of their members invariably receive headline treatment in the Press and on radio and television. Little or nothing is ever heard about the constructive efforts put in by these same officials in trying to iron out the many day-to-day difficulties, problems and minor disputes which take place on the shop floor and in the office but never reach strike proportions. A very close working relationship exists between the trade union officials and the Association's staff, and this understanding and respect for each other's problems is a great asset not only when trying to settle disputes and troubles at individual plants but is also a major factor in the maintenance of good industrial relations in the area as a whole. Furthermore, with the advent of the Industrial Relations Act and the very real possibility of there being no national procedure agreement for the industry, the need for this close working relationship and mutual understanding between the officials of the two local organisations will assume even more importance than at present.

Lastly, there is the question of training. With all the changes referred to above taking place, training and further re-training at all levels has become an essential requirement for the industry. The Association's Training Centre at Malvern specialises in providing short, intensive courses for supervisors and managers in industrial and human relations subjects, with the object of improving the skills of communications, negotiation and decision-taking. The emphasis is on the practical rather than the academic, and the aim is to fit supervisors and managers to cope with the process of change taking place in their factories. A more recent development has been the involvement of the Association in shop stewards' training. This has the object of ensuring that both parties to negotiations are familiar with modern industrial relations' concepts and techniques and, in effect, talk the same language. Training programmes have been devised in collaboration with various unions and recommended to Association members. In some cases, special shop steward "in-plant" courses

have been run jointly for the management and unions, a successful balance of course content being achieved by the combined participation of management, Association and union officials. Both sides of industry now recognise the training of stewards as an urgent requirement and this form of training is likely to increase greatly in the next year or two.

There are hopeful signs that the flood of exorbitant wage and salary claims in the industry, together with the incidence of strikes and other industrial action taken in support of these claims, is beginning to ease off.

Although the unions are at present fighting the Industrial Relations Bill on every front, there is no doubt that it will become an Act of Parliament later in the year and in the long term the unions are likely to accept the beneficial effects it will have for both sides of the industry on the industrial relations scene.

These factors together with the enlightened changes taking place in management generally in federated firms as previously described leads one to hope for a period of more stable industrial relations in the mid-1970s as compared with the past two years. However, the transition to this more "peaceful" era is not going to be an easy matter.

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## BIRMINGHAM XI

# Lukewarm interest in new towns

By WALTER STRANZ, Secretary, Midlands New Towns Society

Few cities have been more aware of the need for a radical solution of their housing problems than Birmingham. Yet its attitude to the new towns has always been ambivalent. It is perhaps best described as a love-hate relationship. This originated in the mid-1950s when the Government was pressing the City to solve its housing problems by concluding overspill agreements with Midland country towns under the Town Development Act of 1952. Birmingham's civic leaders thought this left the City at a financial disadvantage, and clamoured instead for a new town. New towns being government financed would, it was thought, cost the ratepayer less.

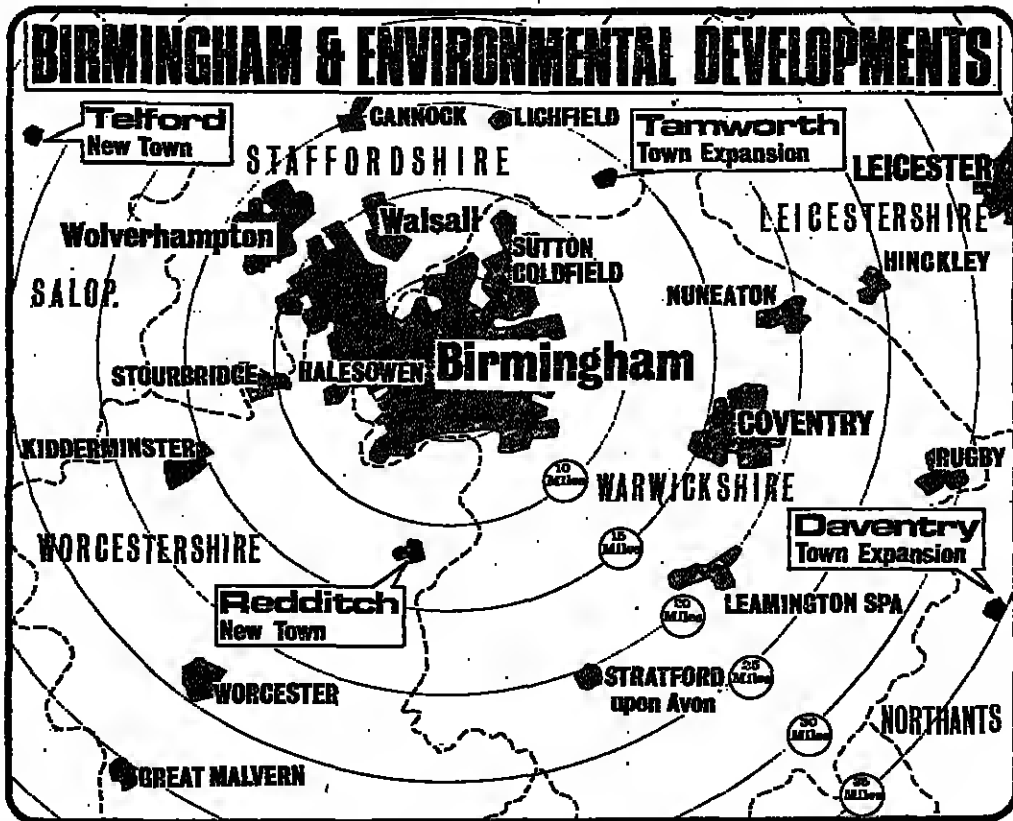
### Designated area

When, however, the Government at last gave way and designated Dawley as the first Midlands New Town in 1963, Birmingham was not entirely satisfied. One reason was the site and nature of Dawley. It seemed more suitable to serve the needs of the Black Country than of Birmingham. And though the designated area contained the cradle of the Industrial Revolution—Canalbrook and Ironbridge—it seemed to be dying industrially in the 20th century. There were doubts whether the New Town could fulfil the dual purpose of resuscitating an ailing local economy and housing Birmingham's surplus population.

Moreover, a fear grew among councillors that the export of population coupled with the dispersal of industry would deprive Birmingham of its status as "Second City." It is perhaps psychologically unfortunate that Birmingham's population figure should have been so close to the status symbol of a million.

Thus alongside this pressure for new towns a policy of peripheral expansion of the city was pursued. Most notably and most unsuccessfully this was applied in the Wythall area, where successive Ministers turned down Birmingham's applications four times.

Meanwhile a second New Town was designated in 1964 at Redditch, a small but thriving industrial town which had conducted abortive overspill negotiations with Birmingham for 10 years. But Birmingham also obtained permission to develop a vast suburb in the Green Belt at Chelmsley Wood. At the same time changes in the Housing Subsidies introduced in 1965 made overspill agreements



under the Town Development Act more attractive than they had been before.

In the mid-1960s, therefore, Birmingham's housing policy followed two contradictory philosophies. There were four major expansion schemes in towns situated strategically north, south, east and west: the new towns of Dawley and Redditch, the locally controlled town development at Tamworth, and the Birmingham controlled development at Daventry—supported by smaller town developments at, for example, Droitwich and Lichfield. All these followed Abercrombie's classic planning theories—limitation of the conurbation's sprawl, insistence on a Green Belt and the creation of growth points beyond it.

At the same time, however, Birmingham built up the remaining open land inside its boundaries, and pressed for development beyond these, both in North Worcestershire and North West Warwickshire. This threatened to breach the Green Belt and engulf the ring of satellite towns within the conurbation.

Naturally these divergent views came to be reflected in local politics. The leader of the controlling Conservative group, Sir Francis Griffin, is being regarded by the surrounding

counties as a man of almost unlimited "territorial ambitions." His Labour opponent, Sir Frank Price, became chairman of Telford Development Corporation, when Dawley New Town was enlarged and renamed Telford in 1968, and clearly favoured a regional solution rather than City expansion. Though the party leaders are committed, there is considerable ambiguity on these issues among their backbenchers.

### Overspill sites

What has all this meant in practice for the new and expanding towns? They have never received the same wholehearted support as the London new towns obtained from the GLC. There are frequent complaints that Birmingham gives priority to filling its own expensive new houses on the fringe estates—over making nominations for the overspill sites.

Despite any lukewarmness of City support, the achievements of the new towns are considerable. The accompanying figures

advantages over commuter settlements. They seek to match the growth of population with an equivalent growth in employment. Thus, a Birmingham tenant living on a fringe estate like Chelmsley Wood will pay a similar rent in Redditch or Telford, but local employment brings considerable savings on journey-to-work costs. Further, all building in Redditch and Telford has been low rise, and this offers an escape route to the refugee from Birmingham's multi-storey flats.

The attractive infrastructure of the new towns must also be given credit. For example, the policy of planting trees and shrubs before houses are let in Redditch compares most favourably with Birmingham estates where planting lags years behind. The dual use of Telford's new comprehensive school as a major community centre has no equal in the City. Both new towns offer completely safe access to primary school children by footpaths linking home and school. There are pioneering ventures ranging from Telford's interdenominational pastoral centres to the Redditch "busways," the first section of which will soon become operational.

### Main factors

The major question mark hanging over the new towns is whether enough jobs can be created in the present economic climate to match the growing population. In Birmingham a vociferous campaign against Industrial Development Certificates has recently gained support in view of the worsening unemployment situation. But the new towns regard IDCs as a great help in channelling industry to them. It is worth noting that the new towns' unemployment percentages have

remained below the regional and national averages.

Four main factors seem to contribute to this relative prosperity. Some big firms, such as Halfords, have in fact moved from the conurbation. The remarkable success of small firms, some of local origin, that are growing and prospering in advance factories both at Redditch and Telford is less well publicised, but equally significant. Moreover the two Development Corporations are exploiting the special attractions that new towns offer to warehousing and to office employment for which there is great growth potential in the West Midlands.

Finally there is the psychological factor. Oscar Hahn, chairman of B.K.L. Alloys, one of the big firms that has moved out, recently summed it up thus: "Firms which move to new towns seem to prosper more than they would have done if they had stayed in their old buildings. This is probably because it is usually people with enterprise who move. It is also probably due in some measure to the fact that movement itself means change, and change breeds expansion."

### Future health

On industrial dispersal, therefore, just as on housing policy, the challenge of the new towns is a catalyst for Birmingham's approach to the future. The new town and Green Belt approach sees a new important role for the City—that of a regional capital. To clamour instead for the old parish pump values of peripheral housing estates and internal industrial growth, regardless of the regional context, is to ignore the economic and planning strategies on which the future health of the City and Region depend. Can Birmingham rise to this challenge?

	December, 1970	Redditch	Telford
Houses .....		2,091	2,237
Industrial floor space .....		1,176,955 sq. ft.	982,650 sq. ft.

for houses and industrial premises speak for themselves.

A study made of the first 1,400 houses let in Redditch showed that 70 per cent. of them went to Birmingham families and another 5 per cent. to families from the rest of the conurbation. Birmingham people are clearly voting with their feet in favour of new towns.

What is their attraction? In general, of course, the new towns follow the trend set by owner occupiers who move out of cities into commuter belts. The new towns' rented houses now give tenants a similar opportunity (though 50 per cent. of their future output is to be for owner occupation).

Second, the new towns offer

## Local radio

— (Cont'd.)

Continued from previous page factor is the whole area's immense dependence on the car industry. This certainly makes it nearly impossible for any town to be an island entire of itself. A strike of employees in a factory making one item can shut down an entire car plant.

After only eight months' broadcasting, and with the problems of a restricted VHF only audience, it would be

foolish to make extravagant claims. But impact there is, and it grows daily. The morning postbag is sufficient evidence.

The experience of starting Business News from scratch was common to many programmes. Now, people with something to say have realised that there is, in local radio, a new medium with time available through which their ideas can be heard, and where they can voice criticism of authority.

### Medium wave

The real breakthrough will come with the allocation of a medium wave, and the possible audience of the huge car-owning public in our area. The newest programme, "Home James..." from half-past four every weekday afternoon is aimed at that audience, and will soon run up to our main news of the day at a quarter to six.

Of course, it seems that by the time we get medium wave commercial radio will be upon us, with the possibility of up to four commercial stations in Radio Birmingham's broadcast area. So far, to say the least of it, there has been some reticence about their plans. However, no doubt plans are being made. Ours are as well.



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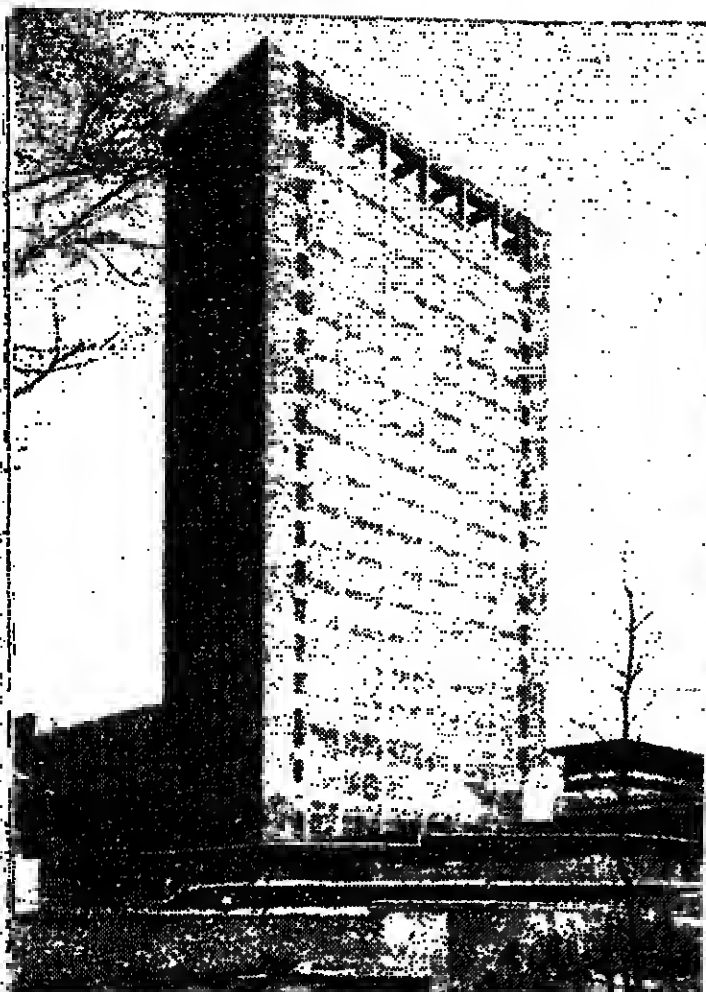
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## BIRMINGHAM XII



Summer on the Birmingham University campus

# Providing a management education for the experienced

By MICHAEL DIXON, Education Correspondent

To look at the big suburban house in the Birmingham suburb, you would not think it was one of the very few educational institutions from which you can take a university master's degree, without getting a bachelor's degree or the equivalent beforehand.

The title of the house in Wake Green Road, Moseley, is the Graduate Centre for Management Studies. It is an unusual institution in another respect. It was set up by co-operation between two universities—Aston and Birmingham—six years ago. To-day the two universities are not sure whether they want to go on co-operating in the same form any longer.

#### Aston's domain

Although the centre was formed, Aston has kept a variety of management education within its own domain. This includes courses for diplomas, and bachelor's and master's degrees, as well as the often praised Small Business Centre.

Birmingham University also retains a variety of activities related to management. It has a bachelor's degree in commerce, an Institute of Local Government Studies and an Institute of Engineering and Production. The latter is connected to the Department which

runs master's degree work in engineering and production.

However, Birmingham has transferred responsibility for its former Master of Commerce degree entirely to the Graduate Centre. This is still a Birmingham University degree; the management school has no power to award degrees.

That was not the starting point of the centre's work. "When we began we decided to do something that was not done by either of our parent universities," said Mr. Leonard Minkes, director of the centre. "Other graduate schools had gone for three-month courses for middle managers. We went for a six-month residential programme."

This Advanced Management Course started with six students. Now it attracts about 20 each year, including people from overseas.

"We put experience and ability first when we're selecting students. Paper qualifications are secondary. We're pretty backed with the people we get."

"Another distinctive feature for a post-experience course like this is that we have a system of continuous assessment over the six months, and an exam at the end, and we award the successful people a diploma. We feel that even older managers who become students again—the bulk are between 37 and 35—need to be put to some personal test, it gives them extra motivation to study."

Mr. Minkes tried to look stern. "I'd say they value the testing, even if they don't like it." His headmasterly pose dissolved. "Actually, companies who send people here don't seem to set much store by their test results," he added.

At first, the Advanced Management Course stressed mathematical techniques. The director, a 47-year-old economist, says that the AMC is more evenly balanced now, which means more emphasis on finance and marketing and greater flexibility to suit the individual student. There is much case-study work, but not the dreary monotony of ageing American cases. At one point the students have to write a case themselves, based on their own experience.

#### Postgraduate work

After 1966 the centre started to extend its activities. It branched into postgraduate work as well as expanding its post-experience side.

Three years ago it started a six-week residential course for senior managers. This has places for some 20 people each year, and they are usually aged 40 or more. The aim is basically to give the senior managers a sense of what is available in the management sciences, and to enable them to make worthy use of younger people who have studied on longer management programmes.

"Then we began to surround these residential courses with shorter efforts, from about a week to a month long," Mr. Minkes said. "We provide them for specific industries, and do tailor-made jobs for companies. We've been careful, though, not to stray too much on the ground covered by our parent universities' shorter courses and seminars."

"Altogether, the post-experience side has had valuable results. We don't just get businessmen. People come from Government Departments and from the Hospital Service. As a

result we've been asked to develop programmes for hospital administrators and nursing staff, and the Department of Health and Social Security has given us a grant of £25,500 to cover a three-year research project.

#### Any area

"We find that the things this centre is interested in can be applied in any area where resources have to be allocated—and that amounts to almost everywhere."

Although the centre began to teach students for Birmingham University's Master of Commerce degree some years ago, it did not take over full responsibility for this postgraduate programme until 1969. The course is heavily oversubscribed by young people, generally aged between 21 and 23. The post-experience Advanced Management Course can cater for only a small share of its would-be students, but the percentage of applicants for the "normal" master's course who manage to win a place and get grant support is smaller still. There will

be from 12 to 15 students on the one-year Master's programme in 1971-2. The uncertainty is caused by the difficulty of higher-degree students are now having in obtaining financial support.

"Then, around 1967, a major innovation occurred to us," Mr. Minkes declared. "We gave a diploma at the end of the six-month middle-management course. And some of the really successful diploma men said they would be interested in going on to a master's degree, if that were possible. We thought 'why not?' Then we thought 'isn't this just the passion for another official piece of paper?' Then we thought 'we can make sure that they get much more than a piece of paper'."

"So we decided to devise ways by which somebody who does well in the diploma could then add a master's degree. What happens is that when they finish the AMC course, they continue under our supervision into a project on a real management problem which applies to their work. There is no formal

limit on the time they have to complete the project and be assessed for a degree, but if they took longer than about 18 months after getting the diploma I doubt whether we should expect them to get the degree.

#### Project work

"There are other diploma courses that lead to a degree by project work, of course. But ours is rare in starting from a post-experience programme and accepting a good diploma result as an entrance qualification."

The fee for continuing to the M.Comm. degree is only £35. This contrasts with the charge for the previous AMC programme—admittedly paid usually by the student's company—which, including residence, is now £1,000. The inclusive fee for the six-week senior managers' course is £360.

"We are tending towards charging an economic price for post-experience work," the director commented. "We are certainly not averse to increasing our earnings." In 1970-71 the school's income from course charges and research grants was about £57,000. Its total budget was nearly £100,000.

It is not earning ability, however, which will decide whether or not the Graduate Management Centre survives. The critical issue seems to be whether the two universities are willing to give up some of the grant-aid that they might retain if the centre's work were split up and returned to the parents.

The Government's thrifty attitude towards education seems ominous here, particularly with the negotiations which will be university finances from 1971 to 1977 only months away.

True, the centre's work has been criticised, sometimes sharply. But so has the work of all business schools.

Mr. Minkes seems confident but his comment on the future was guarded. "The situation is that the two universities are working towards the expansion of their existing interests in management education, on a co-operative basis. But what form of institution or institutions this expansion will need is not yet decided."

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Labour News

NUBE protest about 'poaching' for TUC

BY ROY ROGERS, LABOUR STAFF

THE National Union of Bank Employees, which recently rejected a merger bid from the Association of Scientific, Technical and Managerial Staffs, is attempting to poach some of its members.

Both ASTMS, which claims some 40,000 insurance members, and NUBE, which has some 30,000 banking members, are currently trying to establish a foothold in other sectors of City institutions as part of recruiting drives centred in the City of London.

NUBE is seeking the protection of the TUC's Bridlington and poaching agreement following a recent meeting held by ASTMS for dissatisfied bank employees.

The dissatisfaction of some bank staff with a recently introduced job-evaluated wages structure has led to a considerable number of them applying for ASTMS membership. However, this may be countered by a pay claim, based on the increased cost of living, which NUBE and

the bank staff associations are to lodge next month.

Meanwhile, NUBE is pushing ahead with its own recruiting drive including an approach to the 5,000-strong Guardian Royal Exchange Assurance staff association which, two months ago, voted 2-1 against merging with ASTMS.

**Speculation**

Speculation that ASTMS might retaliate by taking NUBE before the TUC over this matter was firmly put down by Mr. Clive Jenkins, ASTMS general secretary, who said he had no need of protection from NUBE.

Whether his attitude is because he feels that ASTMS position in insurance is more secure than NUBE's in banking, or because NUBE appears to have little chance of making headway at Guardian Royal Exchange, is not clear, but what is certain is that the rivalry between the two unions will become more bitter, as a result of these recent events.

EEC: writs from Jenkins

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

MR. CLIVE JENKINS, general secretary of the Association of Scientific, Technical and Managerial Staffs, intends to seek a High Court injunction preventing the Post Office from distributing the "popular" version of the Government's White Paper on the Common Market.

Mr. Jenkins, a leading anti-Marketeer, has issued writs against the Attorney-General, Sir Peter Rawlinson, Q.C., and the Post Office, and said yesterday that an application for an injunction would be made before the end of the week.

A writ had been issued against the Attorney-General in the Central Office of Information printing, publishing and distributing the "Britain and Europe" pamphlets at public expense, he said.

**"Controversy"**

Mr. Jenkins claimed that the pamphlets were "partisan and prejudiced" in their presentation of the arguments for and against Britain joining the EEC. He maintained that they were biased in favour of entry and aimed at influencing public opinion before Parliament had made up its mind.

In addition, Mr. Jenkins accused the P.O. of acting in excess or abuse of its powers by distributing the pamphlets. Its resources were being used to further a partisan campaign on a matter of public controversy upon which Parliament has taken no decision, he insisted.

Entry into the Community would be "gravely prejudicial" to the standard of living of ASTMS members, he said, and the union felt that the Government should not have published "this highly contentious argument for entry before the Commons debated the issue, let alone reached a decision on the terms for entry."

Mr. Jenkins claimed that the pamphlet was produced for purely political reasons, which should properly have emanated from the Conservative Central Office, but had instead been "produced and distributed with the aid of public funds."

The president of the ASTMS, Mr. Ian Mikardo, Labour Party chairman, said that, if the Labour Party executive decided to come out against entry, it would presumably produce and distribute a document in support of its attitude.

"In my view, it would be entitled to the same facilities for publishing and distributing its document as the Conservatives have for their party document," he said.

£5-a-week rise for Hull and Grimsby trawlermen

BY ROY ROGERS, LABOUR STAFF

SOME 3,000 trawlermen at Hull and Grimsby receive a pay increase of at least £5 a week under a pay structure which comes into operation from August 1.

Negotiated between the Transport and General Workers' Union and the Grimsby and Hull Freeze Trawler Owners' Association, the settlement allows for a £25-a-week basic for deckhands, who will also get a share of profits from each voyage by way of a 25p tonnage payment.

Agreement has been reached for the tonnage payment to be increased to 27p on trawlers where the number of deckhands is reduced from 15 to 14, and provision has been made for further reductions in manning at agreed tonnage rates providing agreement is reached with the crews concerned.

The trawlermen are on a basic rate of £19 a week, but tonnage payments take average earnings to between £40 and £50 a week.

BMA to register under unions Bill

THE British Medical Association has decided to register under the Industrial Relations Act in the special schedule reserved for limited liability companies.

The alternatives, Dr. Ronald Gibson, chairman of the association's council, told a special representatives' meeting in Leicester at the association to cease to be a negotiating body for doctors or to become a trade union, giving up its status as a learned body and perhaps losing Royal patronage.

At one time it had seemed it would have to become a trade union but action by BMA officials, he said, produced the change in the law which enabled

Fourth TriStar to join flight tests next month

BY RAY DAFTER

LOCKHEED plans to roll out its fourth production TriStar airliner next month. It was learned yesterday. The aircraft (designated for Eastern Airlines, will join the three other aircraft in the colours of Eastern, TWA and Lockheed being used in the flight test programme.

This fourth TriStar is being fitted with Rolls-Royce RB-211 engines developing 40,000 lb thrust. These will be upgraded to 52,000 lb thrust in due course.

Rolls-Royce (1971) started work on production engines for the TriStar programme several weeks ago. The first of these will go into the TriStars which are due to be introduced into service by Eastern and TWA in April next year.

So far, RB-211s have amassed about 6,500 hours of testing time of which some 1,100 have been

John Trafford looks at the state of the nylon manufacturing industry following ICI Fibres' decision to dismiss nearly 1,500 manual and white-collar staff

Repercussions of the nylon glut

THERE CAN be no mistaking the fact that nylon manufacturers, the people who actually make synthetic fibres from chemicals, are going through a very nasty patch. On Thursday, ICI Fibres revealed its long-awaited plans to wrestle with the two problems of sluggish home demand and an unexpected rise in production costs. It said it would sack nearly 1,500 from its factories and offices—nearly half of them white-collar staff—and start a scheme to rationalise production at its three plants.

Such news, worrying though it is to those personally involved, tends to leave the housewife unimpressed; her main concern is whether there is any suggestion that nylon goods will go up in price. Happily for her, but to the chagrin of ICI and its main competitors, nothing of the sort is likely to happen. ICI's action, though so remote from the High Street as to appear unconnected, should nonetheless help in the long term to bring a measure of stability to the hosiery and textile trade, to the ultimate benefit of all concerned.

Among synthetic fibres, nylon is something of a special case because it has been around so much longer than other fibres like Terylene and Orlon. It is now 30 years since it was first offered on a commercial scale and in the intervening years most of the potential outlets for it—in stockings and tights, shirts, dresses, lingerie, abets and the rest—have been pretty well explored.

It is against this background that ICI Fibres' measures can be judged. The company has without doubt built up a lot of "fat" during the boom years of the 1950s and much of the 1960s. When a world glut in nylon shattered the optimism of fibre makers back in 1966, ICI Fibres dismissed about 1,700 staff and, by and large, they have not been replaced.

The same has happened again, five years later. Again there is a chronic world over-supply of nylon and prices are weak, but this time there is the added hazard of appalling production costs fed by the fires of inflation.

Under those circumstances management has only one alternative—and that is to find ways of cutting down on costs.

Cutting costs

If past performance is anything to go by, it seems certain that any rationalisation undertaken by ICI and its competitors will not later be revoked when trade again picks up. True, cost-cutting on a really large scale is usually begun only when profits are falling; but that does not make it any the less valuable. In the longer term, a reduction in nylon manufacturing costs, if applied to a sufficiently wide cross-section of producers, must benefit the textile trade and the final consumers.

Of the various pressures acting on the big international fibre companies to reduce costs, they can with some reason discount cost inflation and the disappointing growth in demand for most nylon goods: these are largely outside their control. However, every company makes its own calculations of future demand and decides whether it should invest more in new plant. Almost to a man, the big, sophisticated fibre companies have got their sums wrong. The result has been an appalling world over-supply which Mr. Michael Clapham, an ICI deputy chairman, expects to continue for at least two more years.

Most of the fibre going to textile companies is sold in the form of continuous filament yarns, some of which are "flat" (or smooth surfaced) and some "textured" through being subjected to an additional process.

In addition, a relatively small volume of fibre is sold as staple which has to be spun into yarn in much the same way as cotton.

The main problem area at present is the textured filament yarns of fine denier which go into making women's tights. This may seem surprising, since the volume of nylon going to this outlet is quite modest. However, the weight of nylon used gives no indication of the value of the market to the fibre producer or the hosiery manufacturer.

Manufacturers' sales of women's knitted hosiery last year amounted to some £85m. and virtually all of it was made from nylon. Because the yarns used are fine deniers and because they have to be textured, their preparation takes up much more machinery

It has become an increasingly attractive market because the fibre makers have been moving strongly towards doing their own texturing of flat yarns and supplying the hosiery companies direct rather than through an independent texturiser. ICI Fibres introduced Tendrelle about two years ago and both Courtaulds (Shareen) and British Enkalon (Enkasheer) are also now active. Du Pont (U.K.) imports its Cantreux textured nylon.

Just two years ago, fibre makers in this country woke up to the alarming fact that much of the filament yarn they were supplying to sheet, shirt, lingerie and home furnishing manufacturers were not reaching the shops because demand was so slack. Initially they shrugged this off as just a touch of holiday blues but the depression continued and the stocks piled up. Total U.K. demand for nylon filament yarns slumped by about a fifth in a very short time. Not unnaturally, fibre makers cast around for other

The brightest of all was women's hosiery, where the popularity of the mini-skirt sped the switch from stockings to tights. Nylon sales rocketed, helped by the fact that 3½ times as much fibre is needed to make them as a pair of stockings.

The trend continued right through 1970 with sales of tights and pantyhose no less than 30 per cent up in the year's final quarter (although value only advanced 2 per cent, a warning of the price war which drove Bear Brand to sack half its staff last May).

There are no official figures yet for this year, but the trend is clear enough. Now that the

U.K. Nylon Sales, 1970 (million lbs.)

FILAMENT:	
Shirts, shirts, lingerie, linings	23
Hosiery	8
House furnishings	27
Knitted outerwear	12
Overall, rainwear, etc.	28
Industrial	17
Tyres	29
Net exports of textured yarns	6
Total	240
STAPLE:	
Carpet, etc.	45

capacity than the simple, heavy, flat yarns; this is duly reflected in higher selling prices.

Women's hosiery is an important sector because it offers fibre makers an outlet for their higher-priced fine denier lines.

Higher prices have recently been announced on the Continent and in the U.S. and there is a general feeling that a present glut will slowly right itself. Some companies are even talking quite optimistically about end of year prospects.

While ICI and others grapple with the daunting problems of bringing profitability back to the fibres, the housewife console herself with the thought that even a rise of, say, 5p per pound in the nylon price would have only a minute impact on the retail price of a pair of tights, which weigh a mere 0.2 oz.

Awakening

An efficient synthetic fibre industry is one of those things that any industrialised country expects to have as a matter of course. But in Germany recently there was a rude awakening to the dangers befalling those who become uncompetitive and unprofitable. One of the country's largest synthetic fibre manufacturers, Phrix-Werke, has been in deep trouble.

Happily for Britain, ICI Fibres, which supplies over half the nylon used in the country, has no cause for concern about

Finalists named for National Management Championship

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

NAMES ARE announced today of the four companies which will compete for the National Management Championship in London next Saturday.

They include Rolls-Royce (1971) and Peat Marwick Mitchell, the chartered accountants, one of whose partners was appointed receiver and manager of the old Rolls-Royce Company. The two other finalists are Crossley Carpets, of Halifax, and Manganese Bronze Holdings.

The players are groups of managers from different departments of their "real life" companies. The Rolls-Royce team, for example, consists of financial control executives from the Engines Division at Derby.

The National Management Games is organised by the FINANCIAL TIMES, International Com-

puters, and the Institute of Chartered Accountants in England and Wales. In the game, each group of players acts as the Board of a "paper" company making and marketing a consumer-durable product.

The teams compete against one another and against an economic model in the computer. At the end of each round, the team in each group which has made the biggest distributable profit goes forward to the next round.

The game started in January with 180 teams. These were gradually whittled down in successive rounds played by post. The four finalists are the survivors of 15 teams who got into the semi-finals—the last postal round.

During the semi-finals, the contestants had to cope not only with each other's competition and a declining market. In addition, the computer blessed them with a gale in their transport departments.

Even so, no semi-finalist made a loss. The worst result was a profit of £70,500; the best a profit of £1,86m.

In Saturday's final at Putney, the players will no longer have several days in which to reach their business decisions. Each set of decisions will have to be made and submitted to the computer within about 40 minutes.

The final will last from about 10 a.m. to 5 p.m. At the end, the 1971 national management champions will receive their prizes, including a rose bowl from the FINANCIAL TIMES.

Dry spell 'will bring drought'

THERE ARE FEARS that hundreds of thousands of homes in Britain may have their water supplies cut off if there is another long, dry spell.

The British Waterworks Association said at the week-end: "We have not had a drought in this country for many years and it is on the cards that we are going to have one very soon. Some parts, particularly in North Devon and Ipswich, Suffolk, have already had their domestic water supplies cut for a time. People had to get their water from street hydrants."

Drought orders to conserve supplies are in force in North Devon, the Pennines, the Lake District and several areas of Scotland. These orders place restrictions on non-essential water use like garden-watering and car-washing.

An association spokesman said generally low rainfall during the winter and spring had left many storage reservoirs nowhere near full.

"If we now have a late summer which is long, hot and dry we are in very real difficulties," he said.

The London Weather Centre long-range forecast gives below average rainfall in all the areas suffering from water shortages. This will be coupled with above average temperatures.

Crisis areas include Plymouth, which, says the Waterworks Association, will soon need 20 more gallons a day; Newark where "the situation is getting worse every day"; and Liverpool, where "the prospects are not too good."

Attempts to end U.S. copper workers' strike fail

BY JOHN EDWARDS

ATTEMPTS TO settle the 25-day-old U.S. copper workers' strike after the week-end have ended in failure.

The unions concerned in the negotiations had called a special conference among themselves on Saturday at Salt Lake City to decide whether or not to ratify tentative agreements on new labour contracts reached with two of the leading copper producers, Anaconda and Kennecott.

But at the last moment on Friday night, Anaconda announced that it had failed to complete the agreement reported to have been reached earlier, and Kennecott said it was unable to make any further progress in its "peace" talks. More than 30,000 copper workers have been on strike since they last went to work on June 30, and this has virtually brought copper production to a standstill in the U.S., which is normally the world's biggest producer.

So far, however, no shortage of copper has developed, since a surplus has built up, and consumers are stockpiling against the possibility of a stoppage. But if the strike continues much longer the effects should start to be felt.

It was confidently expected last week that the latest improved wage offers by the employers would be accepted, since they are understood to be higher than those accepted recently on behalf of the U.S. aluminium workers. However, it is believed that the copper producers are insisting on new productivity deals in exchange for the higher pay.

Jobless: Tories complacent, says Wilson

MR. WILSON yesterday bitterly accused the Conservative Government of "cynical complacency" over the jobless situation.

"If the unemployment figures issued by the Government this week must be regarded as a national scandal, the Tories' attitude to the problem is a scandal," he said. "The Tories' complacency which Mr. Heath and his Government have displayed about steadily rising unemployment constitutes a still greater scandal."

Plea to exempt sales under 5p from VAT

BY DAVID WALKER

A CALL for sales involving sums of less than 5p to be exempt from Value Added Tax has been made by the Automatic Vending Association of Britain.

In the vending industry, the Association has told the Government, VAT, which envisages the consumer meeting the cost of the tax, would be quite impracticable. It imposed without relief, it states, there would be substantial increases in the cost of all purchases required for a canteen or vending installation.

At present, machines and the majority of food and drink products sold are not subject to purchase tax. The Association pointed out that price rises at vending installations are governed by the coinage available.

That made the smallest advance possible one of 1p, or 2p per cent, on a 2p vend price, even though the tax itself might well be only 10 per cent.

All industrial drink and food services, AVAS has suggested, should therefore be granted a zero rating.

The British Federation of Master Printers has also urged zero-rating for books and periodicals under VAT. At the same time, it has stressed to the Government the importance of ensuring that no tax advantage accrues to customers, who do their own printing.

Press Council's powers: Law Society's views

THE LAW Reform Committee of the Law Society is against the enlargement of the powers of the Press Council to impose financial or other penalties on newspapers for the wrongful invasion of privacy.

In its memorandum to the Younger Committee on Privacy, details of which were announced over the week-end, the committee says that the Press Council is the instrument of a form of self-discipline, and operates by virtue of its own moral authority. Its findings are usually accepted by the newspaper concerned, but could only be enforced if they were given statutory authority.

"The Law Society's committee does not consider that this would be justified," it is stated.

The memorandum also makes recommendations about "bugging" devices which it considers may be one of the most serious threats to be envisaged by the Younger Committee. It is thought that some form of control of such devices at their source may be the most effective action which can be taken.

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Jascot Commodity Fund aims at a high and increasing income and to this and it buys a spread of commodity shares. The Fund also has possibilities of capital growth. The commodity share market does of course carry its own special investment and political risks which are undoubtedly greatest in a small number of shareholdings of a single commodity. This Fund will reduce these risks by the wide spread of its investments over many companies, many sectors and many parts of the world. Furthermore, the Managers are well experienced in the administration of commodity share portfolios. The commodity share market is now widely recognised, not only as a source of high income but also as a useful hedge against inflation and devaluation. The Managers emphasise that Jascot Commodity Share Unit Trust is designed as a long term investment for all those needing a really worthwhile return on at least part of their available capital. It must be remembered however, that the price of units and the income from them can go down as well as up.

The current estimated gross yield is

**10.17%**

General Information  
Jascot Commodity Fund was started on 1st April this year at 25.0 pence per unit to yield 10.50%. The present offer price of 29.0 pence per unit includes an initial charge of 3%. The annual charge is 4%. The Managers reserve the right to close this offer if the price fluctuates by more than 2½% after the close of this offer units of Jascot Commodity Share Unit Trust will be available at the then current price.

Trustees: The Royal Bank of Scotland Limited  
Managers: Jascot Securities Ltd., 21 Young St.  
Edinburgh EH2 4HU Tel. 031-225 6762

The professional way into high yielding commodity shares

Jascot Commodity Share Unit Trust  
a wider range  
Trustee Security  
offer of units at  
29.0 pence

Application Form  
To Jascot Securities Ltd., 21 Young Street, Edinburgh EH2 4HU Tel. 031-225 6762.

I/We wish to invest the sum of £..... [Min. £50] in units of Jascot Commodity Share Unit Trust at 29.0 pence per unit and enclose a cheque for this amount payable to Jascot Securities Limited. I understand that this offer is open until 4th August 1971, and that the Managers reserve the right to close the offer if the price fluctuates by more than 2½%.

I/We declare that I and/or we are not resident outside the scheduled territories nor am I/we acquiring the above-mentioned securities as the nominee(s) of any person(s) resident outside these territories. (If you are unable to make this declaration, it should be deleted and the form lodged through your Bank, Stockbroker or Solicitor in the United Kingdom.)

Your certificate will be prepared from the following particulars (Please print clearly)

Signature(s)  
(In case of joint applicants all must sign)

Surname  
(State Mr/Mrs/Ms or Title)

Address(es)

Jascot

F71 CS3



# COMPANY NEWS + COMMENT

## Trust Houses Forte sticks to forecast

AVAILABLE indications of likely course of business in the second half year—including estimated profits for May and June—shows Trust Houses Forte to repeat the earlier forecast that profit before tax and minorities for the year to October 31, 1971 will show a significant increase of the £9.36m. for the preceding year states chairman Sir Charles Forte.

For the six months to April 30, 1971, group profit before tax and minorities is lower at £251,000 compared with £681,000 for the former Trust Houses Group only, it the chairman states that no significance should be attached to the fact, since the merged company has an even larger seasonal ring.

	Half-year	1970-71	1969-70	1970-71	1969-70
Operating profit	£7,397	£10,833	£11,000	£10,833	£11,000
Finance profit	£2,569	£1,326	£1,268	£1,326	£1,268
Other income	£251	£601	£363	£601	£363
Profit before tax and minorities	£10,217	£12,760	£12,631	£12,760	£12,631
Profit after tax and minorities	£7,397	£10,833	£11,000	£10,833	£11,000

Directors point out that any timing of tax liability for the 1971 year would be misleading. Statement Page 5 See Lex

## Wheeler's Restaurants prospects

Business continues to keep up, reports Mr. B. Walsh, chairman of Wheeler's Restaurants, as he sees no reason why results for the current half-year should be as good as for the corresponding period of 1970-71. As reported on July 17 pre-tax profit for the year ended March 31, 1971, was £134,549 (£133,068) with a dividend of 53½ pence (47½ pence).

Possession of the Hotel Victoria, Brighton, has been obtained, the chairman explains, and the extension to the Sheridan Restaurant is now almost completed. Construction of the hotel is under way. The proposed Malta

## HIGHLIGHTS

A thin week-end postbag is enlivened by six-month profits from Trust Houses Forte and confirmation of good growth for the full year (see Lex). A letter to shareholders from Silenthio rejecting the revised bid from BTR Leyland contains some interesting implications for profits in 1972-73.

This week the engineers star. To-day sees a half-timer from Alfred Herbert and a prelim from Dowty Group. B. Elliott unveils annual profits on Wednesday and so—on Friday—does John Brown. To-morrow, National Westminster completes the banks' interim season, while Reed International and Inveresk Paper report six-month profits on Thursday and to-day respectively.

project is marking time. The Board continues to look for the right avenues for expansion and there is a prospect of an acquisition in the West Country about which the chairman will have more to say later. Meeting, 11, High Street, Kensington, W., August 18, noon. Chairman's statement, Page 28

## Norgren Shipston growth

CURRENT year results in excess of those for 1970-71 are forecast by Mr. B. T. S. Bosley, chairman of Norgren Shipston International, manufacturers of pneumatic accessory equipment.

Sales are on the increase again, he adds, and the group is equipped to take advantage of any rise in industrial capital expenditure. As reported on July 3, pre-tax profit for the year ended March 31 was £581,000 (£577,000) with a dividend of 23 pence as forecast.

Mr. Bosley says he had hoped to be able to report a higher profit, but the effect of the industrial and economic climate mentioned in the interim report has persisted.

He reports that the acquisition of 50 per cent. of ASB Italia of Milan was completed after the end of the financial year, which secures control of major export customers. Chairman's emoluments were

£12,000 compared with £8,000. Meeting, Shipston-on-Stour, August 18 at 1.30 p.m.

## J. Collett property values

FOLLOWING the announcement on Friday that J. Collett, the hat and wig manufacturing group, had terminated the bid discussions started in mid-April, the annual report discloses the directors value of the company's property.

In their opinion the existing use value in the open market of the freehold property, 38-43, Charterhouse Square, is about £250,000, although this would be substantially increased when the property is included in a comprehensive development. The value of the long leasehold factory, 23-25, Charterhouse Square, is put at some £400,000.

It is also shown in the report that Mr. Ronald Lyon has acquired 14.6 per cent. of the Collett capital.

On the current year chairman Mr. Maurice Harris says that too much optimism might be unwise and "we should look forward to the immediate future with caution." However, he is confident that "we have the knowledge and the experience to face whatever conditions lie ahead for our industry."

As reported July 7 group profit, before tax, for the year ended March 31, 1971, decreased from £232,099 to £156,737. The dividend

is cut from 20 per cent. to 16½ per cent. Meeting, Grosvenor House, Park Lane, August 24, at 11 a.m.

## South Mills to hold profit rate

DESPITE CONTINUED cost escalation, turnover and profitability of South Mills (Textiles) have been well maintained in the current year to date and chairman Mr. W. Campbell Scarlett feels that the "modest rate of profit" made on the turnover should be maintained.

Largely because of orders placed in 1969-70 exports increased from £24,468 to £240,207 in 1970-71. The chairman is aware that increased prices are now making the group less competitive in world markets and he does not expect current year export performance to be quite as good. However, the mills and factories are, in the main, well employed.

Results for the year ended March 31, 1971, showed group profit, before tax, ahead from £230,984 to £283,591 on a turnover of £3,486,840 (£3,137,281). While the turnover figure in fact and the profit figure in fact showed only a small increase (from £3,24m. to £3,32m.) the percentage of the total accounted for by rayon and synthetic yarn production has grown from 37 to 40 per cent. and this tendency should continue says Mr. Campbell Scarlett.

Towards the end of 1970-71 several departments of the flax spinning and weaving side were suffering from lack of orders and production had to be curtailed. The chairman says there are some signs of business picking up, but he feels it is a little too early to be confident about the year's result.

Despite severe competition in rayon and synthetic fibre spinning he hopes that the increased business here can be maintained.

As reported July 2 the dividend is raised from 7½ to 8½ pence. Meeting Dundee August 19

comment With a pre-tax jump of 23 per cent. in 1970-71 profits South Mills

## MINING NEWS

## October date for Carr Boyd nickel

BY LESLIE PARKER, MINING EDITOR

The Western Australian nickel producing partnership, Great Boulder and North Kalgoorli, plans to bring its second mine, Carr Boyd Rocks, into production in October.

In the report for the 16 weeks to June 22 it is stated that some 400 tons of nickel-copper ore from the 200 and 350 foot levels have been treated and successfully concentrated at Great Boulder's Finstons plant. Negotiations are currently in progress for the sale of the Carr Boyd concentrates.

In the year to June 22, Finstons treated 111,112 short tons of ore from the partnership's Scotia mine with a head grade of 2.37 per cent. nickel for the production of 19,433 short tons of concentrates averaging 10.57 per cent. nickel.

At the 600 foot level of this mine limits have now been indicated for the main body of 410 feet in length with an average width of 24 feet and an average value of 2.75 per cent. nickel. It is proposed to sink the

(Textiles) has recovered some of the lost ground from its 1968-69 peak. The main impetus came in the final six months with a recovery in rayon spinning which increased its contribution to annual profits from 22 per cent. to 41 per cent., and the profits improvement was aided by a substantial increase in exports. However, given that growth in both the flax and jute sectors talked off towards the year-end and that the group is not expecting the same performance from exports in the current year, it is uncertain whether the pick-up is any more than temporary relief to a very patchy record. Even so, the prospects do rate something better than the p/e of 4.8 at 17p which is largely the result of a very thin market in the shares.

Chairman of Macdonald Martin Distilleries, Mr. G. A. H. Ratray, tells members that no effort will be spared to produce satisfactory results for the current year. Trading conditions at home and abroad are no easier, he says. However, the group has considerable strength in its holding of whisky stocks, which are based on three well known brands of Highland Queen, Martin's VVO and Glenmorangie Highland Malt.

As reported July 7, group profit, before tax for the year ended March 31, 1971, was £691,629 compared with £588,966. The total dividend is 17½ pence (16½ pence).

The changeover from coal to oil firing at Glenmorangie has now been successfully concluded and the group plans to do the same at Glenlivet—Glenlivet distillery at Elgin during the current year.

This and the building of a new still house accounts for capital commitments of £80,500. These changes will ensure a more efficient and economic unit, the chairman says. Chairman's statement Page 8

## FT Share Information Service

The following securities have been added to the Share Information Service appearing in the Financial Times:

Fairview Estates (Section: Buildings). Hazlewoods (Proprietary) (Section: Food, Groceries, etc.). MFI Warehouses (Section: Drapery and Stores). Wire and Plastic Products (Section: Industrials (Misc.)).

## Confidence at Colvern

Chairman of electronic components manufacturers Colvern, Mr. R. Collinson tells shareholders that in the existing economic conditions, it is difficult to forecast trends, but "with the stimulus to the economy that must come from Government reflationary measures," he is confident the group will continue to prosper and maintain steady progress.

Although order books are a little thinner, says the chairman, there has been a decided improvement in the value of incoming orders during the first three months of the current year and sales for this period are equal to the average for last year.

As reported on July 9, pre-tax profits for the year to March 31, 1971 increased from £246,921 to £304,022 and the dividend is held at 22½ pence.

Direct exports, which during the year increased by 33½ per cent. to £413,945, now account for approximately one-third of total sales. Products are sold to practically all major countries including some in Eastern Europe. Of home sales possibly some 40 per cent. is eventually exported in complete equipment. Meeting, Great Eastern Hotel, E.C., August 17 at noon.

## UNIT TRUSTS

### JASCOT COMMODITY

Jascot Securities of Edinburgh are making a further offer of units in the Jascot Commodity Share Unit Trust at a fixed price of 25p until Wednesday, August 4. The minimum investment is £50 for a current estimated gross yield of 10.17 per cent.

The fund was launched in April with the basic aim of providing high end increasing income. To this end it has a wide spread of shares in several commodity sectors such as rubber, oil, tin, copper, tea, sugar and diamonds.

comment The commodity sector has tended in the past to move against the market trend and while in 1970 most commodity trusts performed well they have lagged behind the general advance this year. Since the initial offer at the end of March Jascot Commodity's units have risen 18 per cent. compared with a 31 per cent. advance by the Actonaires All-Share index. But the main attraction of the fund at present is clearly the yield—estimated to be the highest of any unit trust. This partly reflects the risks of the commodity sector and so, as the managers stress, only part of an investor's capital should be put into this fund.

## Macdonald Martin outlook

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## ISSUE NEWS AND COMMENT

## Thanet offer of shares and warrants

APPLICATION lists open on Thursday, July 29 for the offer of 600,000 Ordinary 50p shares in Thanet Investment Trust at 60p per share as well as 600,000 Warrants at 25p per warrant. Each warrant confers the right at any time to subscribe one Ordinary 50p share at 80p.

Since the appointment of Leopold Joseph and Sons as investment managers in 1967 the value of the portfolio has increased by 63.1 per cent., equivalent to an annual compound growth rate of 13 per cent.

The company's directors believe that worthwhile opportunities will continue to arise both in the U.K. and elsewhere, and the raising of £445,000 net, will enable them to take fuller advantage of such opportunities. The enlargement of the issued share capital will also improve marketability.

The asset value per share at June 30 was 64½ pence, the price of the existing shares was 70p on Friday.

comment The path for investment trust issues has hardly been smooth lately, what with the fops of Glendevon and Border and Southern. Nevertheless Thanet Investment Trust seems to have hit on a formula that has a fair chance of success. Prospective holders have the opportunity to participate in a small trust that has performed well over the last four years, at a substantial discount to asset value. This is in contrast to Glendevon and Border which were issued at or above asset value. What is more, existing holders will receive a 10 per cent. dilution of the asset value by the issue since the proceeds of the warrants even up the equation. As to the warrants, these are a most attractive feature, but being undated they will act as a good option on the market and as such the issue should go.

Prospectus Pages 4 and 5

## Wright-Scriven revaluation

Arrangements have been completed for a placing of 1,325,000 Ordinary 12½p shares in Wright-Scriven (Group) Limited (Wright-Scriven) at 17½p per share.

This new group was formed following the acquisition by Wright-Scriven of the share capital of the Wright Group of companies from Bank Bridge Securities, as a result of which Bank Bridge acquired a controlling interest in S-C. Although Bank Bridge is the vendor of the shares being placed it will still hold some 60 per cent. of the new group's equity.

S-C manufactures metal working and special machine tools. The activities of the Wright Group include metal fabricating, and general engineering, merchant machine tools, general sheet metal working and precision engineering.

Pre-tax profits of S-C have risen from £13,000 in 1961 to £28,000 in 1970 after a peak of £48,000 in 1962 and a loss of £11,000 in 1968. Profits of the Wright Group have jumped from £32,000 in 1960-61 to £24,000 in 1969-70.

Pre-tax profits of the group as now constituted for the year ended March 31, 1971, are expected to be not less than £180,000. For the current year ending March, 1972, the directors anticipate profits of not less than £200,000, and on the basis of profits at this level dividends totalling 12 pence are intended. At the placing price the dividend yield would be 6.57 per cent., covered some 1.5 times, and the p/e 7.78.

comment Following its success with British Benzol, Bank Bridge Securities is now hiving off a small proportion of its holding in Wright-Scriven. With the original Scriven-Crosthwaite group, the new group is going to be the injection of the Wright Group of companies makes a welcome improvement on the profits front. Not that this means Wright-Scriven is going to be some high-flyer—on the contrary, growth is likely to be steady (probably in the region of 10 per

ment, per annum) rather than spectacular. This, though, is more than taken account of by the rating at the placing price and with the addition of a useful 5½ per cent. yield there looks room for some follow through. Prospectus Page 29

## Forminster placing

Brokers Bragg Stockdale Hall and Co. have completed arrangements for a placing of 800,000 Ordinary 10p shares in Forminster at 44p per share.

The company designs and manufactures ladies' dresses, shoes, skirts, slacks and suits for sale to Littlewoods. About half the company's output goes to the retail stores division of Littlewoods with the other half going to the mail order division.

The manufacturing processes are largely carried out in the company's factory with some work being sub-contracted to outside workers. Turnover has risen from £181,000 in 1961-62 to £120m. in 1970-71. Pre-tax profits over the same period have expanded from £2,900 to £133,000. Turnover for the current year ending April 30, 1972 is expected to be not less than £1.65m. while pre-tax profits should not be less than £175,000. On the basis of this forecast the directors intend to recommend dividends totalling 37½ pence. At the placing price the dividend yield would be 8.5 per cent., covered 1.4 times, and the p/e 5.1.

comment One outfit taking all the turnover hardly sounds a safe basis for a successful flotation. But in Forminster's case the picture is different. With Littlewoods do appear to be sound and they have been built up over a number of years. If one then assumes that the tie-up is relatively secure, the benefits for Forminster are threefold. The first and probably the most important is that by operating to secured orders stocks are kept to a minimum with the result that the company is able to counter the liquidity problems that are so often associated with the rag trade. Secondly, the production set-up means that growth is geared to that of Littlewoods while there is also the alternative of Forminster increasing its slice of the group's required merchandise. However, if a one-product company is rated at a discount, a one-customer company surely falls in the same boat, and although the 8½ p/e and 5½ pence yield appear to compensate for this it is worth pointing out that other successful companies in the sector are on ratings below 18, which limits the scope for a premium.

Prospectus Page 7

## CENTRAL & SHEERWOOD

Application has been made to the London Stock Exchange for the listing of £400,000 10 pence Unsecured Loan Stock 1981 in Central and Sheerwood Trust.

The stock was issued in connection with the acquisition of Bathford and Ryburndale Group. Brokers are Joseph Sebag and Co.

Abridged details Page 2

## COMPAGNIE DES COMPTEURS

Banque De Paris Des Pays-Bas has completed arrangement for the financing of £20m. notes due 1977 for Compagnie Des Compteurs.

PUBLISHER'S ANNOUNCEMENT Readers who wish to advertise and collect a bulk supply of copies of the FINANCIAL TIMES in connection with any advertisement that appears in the columns may apply directly to the Publisher.

Providing that not less than 12 copies of an issue are required they may be purchased at 3p per copy from Stratton House, Cannon Street, London, EC4A 3BY.

## First half loss for Edward Webb

Results of Edward Webb and Sons (Worcester) for the half-year to March 31, 1971, show a loss of £17,408, of which £12,000 is of a non-recurring nature. The chairman Mr. A. G. Foley. For the year ended September 30, 1970, there was a pre-tax profit of £22,707.

After deducting the non-recurring item, there is a trading loss of £5,499.

The non-recurring loss of £12,000 results from exceptional development costs relating to fusible interlinings and the writing down of stock in view of the major technological changes occurring in the clothing industry. This will be charged to reserves, the chairman says.

After a period of short-time working most production departments are now on full time with a reduced labour force, "but a further recovery in trade will be necessary if the first-half loss is to be recovered," he says.

The financing of increased fusible sales will now be met out of internal financing and more permanent finance will not be necessary in the immediate future. The long-term future of the company is promising, he says, but in the short term much will depend on the success of the Government's intervention to reflate the economy. The proposed entry of the U.K. into a Common Market is a challenge which it is hoped will give the company a new market to offset the reduction of Scandinavian business.

## MOUNT CHARLOTTE

A further reasonable increase in profits of Mount Charlotte Investment was forecast at the annual meeting by chairman, Mr. P. G. Williams. However, he pointed

## Esanda's first half rise

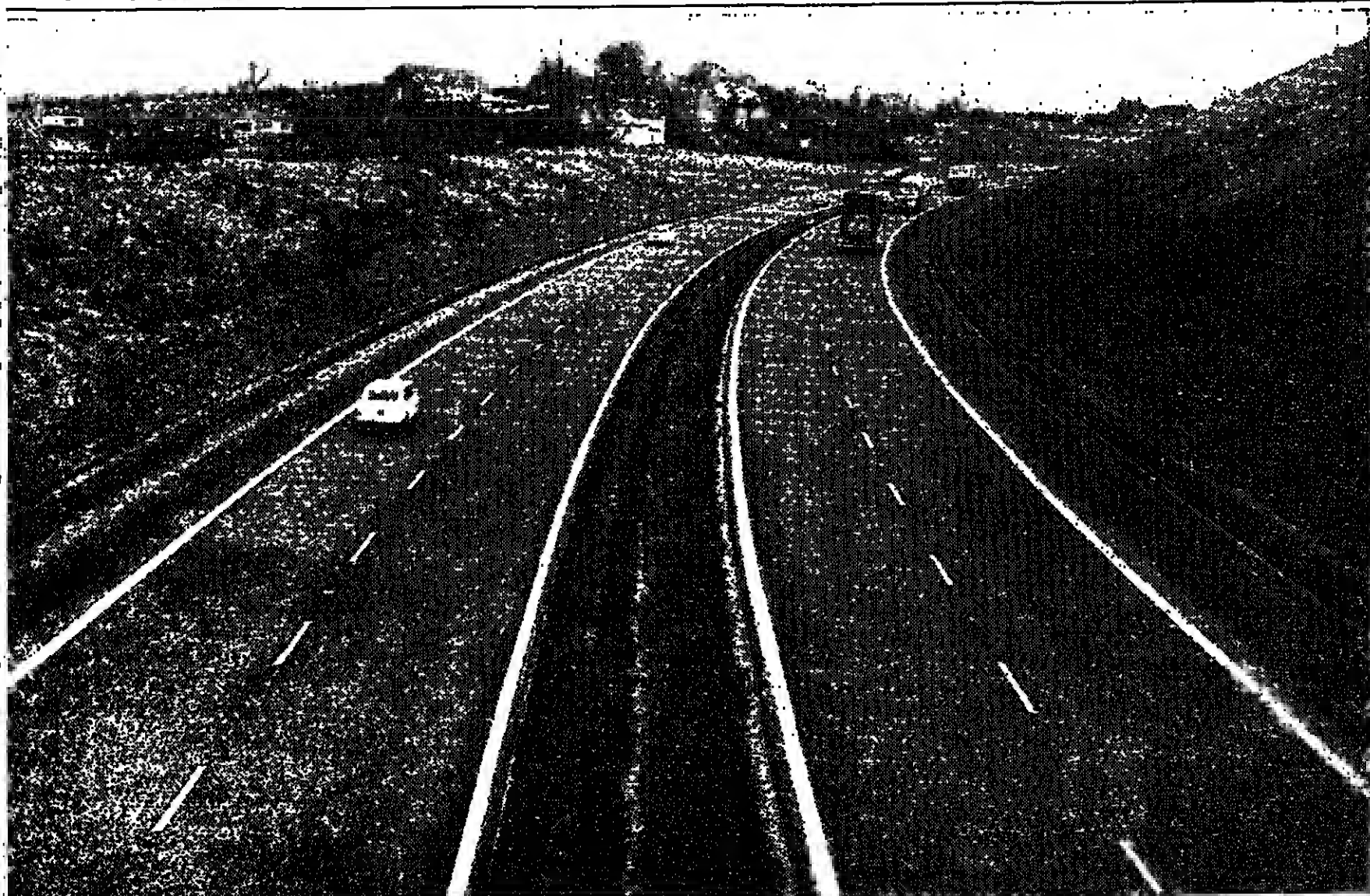
ESANDA, the hire purchase and general finance subsidiary of Australia and New Zealand Banking Group, reports a net profit for the six months to March 31, of \$A1,761,309, against an adjusted \$A1,727,561, for the corresponding period.

Profits increased in a States but the half-year result was affected adversely by substantial rises in salaries, losses arising from difficult conditions in the rural sector and by non-recurring items of expense. These non-recurring items include costs in providing for the extension of Esanda's facilities through the whole branch structure of the merged parent bank.

## PORTSMOUTH & SUNDERLAND NEWSPAPERS

Speaking at the annual meeting of Portsmouth and Sunderland Newspapers, chairman, Lord Buckton, said he had no comment to make to his annual review.

Protracted negotiations for a productivity agreement at Portsmouth "are to all intents and purposes completed and the new agreement is now open for a joint effort to ensure that the facilities available at Hilsa are used fully in the interests of shareholders and staff."

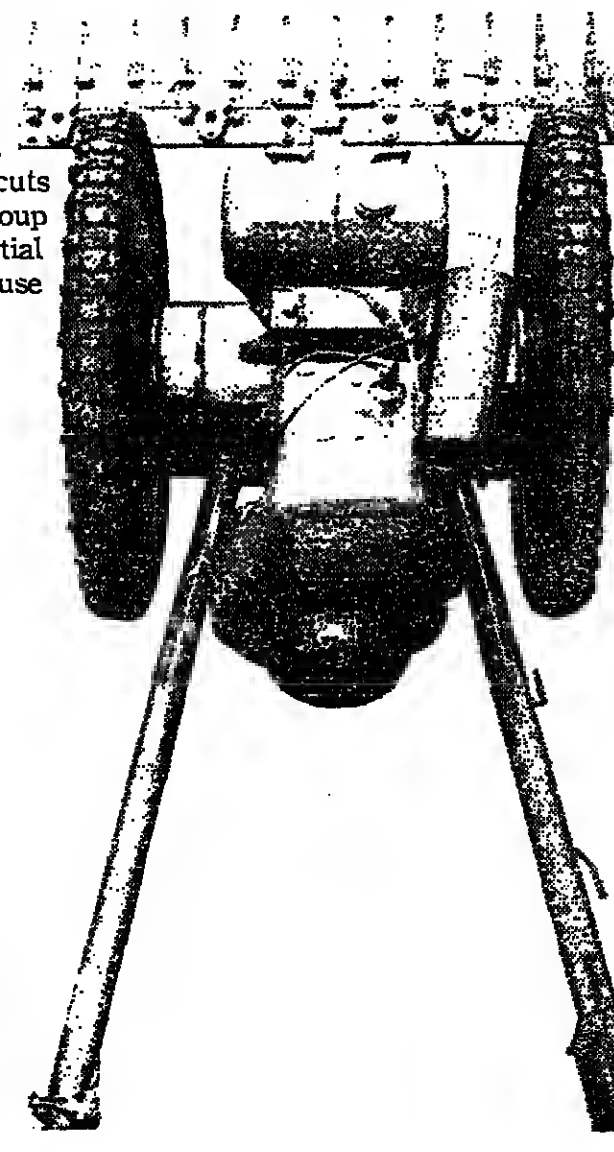


## One short cut leads to another

Many of our short cuts you'll know well — like the by-passes, roads and motorways we build. Even the bends we straighten out.

But Tarmac's short cuts don't end there. One of our Group companies produces essential castings for grassmowers for use

at home and for export around the world. And that's not all we export — the skills and resources of our various Divisions are at work on projects as distant and diverse as a Grease Plant in Colombia to a jumbo-jet traffic apron in Bahrain. Which just goes to show that a short cut can take you a very long way.



**Tarmac**  
THE MEANS AND THE END

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